

POST OFFICE COUNTERS LTD

- and -

ICL PATHWAY LIMITED

INFORMATION TECHNOLOGY SERVICES AGREEMENT FOR BRINGING  
TECHNOLOGY TO

POST OFFICES

CODIFIED AGREEMENT



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THIS CODIFIED AGREEMENT is made the 28<sup>th</sup> day of July, 1999

**BETWEEN:**

- (1) Post Office Counters Ltd whose registered office is situated at Gavrelle House, 2-14 Bunhill Row, London EC1Y 8HQ; and
- (2) ICL Pathway Limited whose registered office is at 26 Finsbury Square, London EC2A 1DS ("the Contractor").

**RECITALS**

**WHEREAS:**

- (a) On 15th May, 1996, the Secretary of State for Social Security acting through and on behalf of the Department of Social Security and on behalf of the Department of Health and Social Services for Northern Ireland ("DSS") and POCL (collectively "the Authorities") entered into certain agreements (the "Related Agreements") for the design, development, integration and establishment by the Contractor of a computerised service infrastructure and for certain services to be provided thereon;
- (b) Such agreements comprised:
  - (i) an agreement between DSS and the Contractor for, inter alia, the provision by the Contractor of services relating to a benefit payment card (the "DSS Agreement");
  - (ii) an agreement between POCL and the Contractor for, inter alia, the provision by the Contractor of the POCL Service Infrastructure and for the POCL Services (as hereinafter defined) to be provided thereon (the "POCL Agreement"); and
  - (iii) an agreement among DSS, POCL and the Contractor for the supply of a service infrastructure and the provision of certain services which were of common interest to both DSS and POCL (the "Authorities Agreement");
- (c) Each of the Related Agreements has been amended from time to time in accordance with the change control procedures contained therein;
- (d) On 24th May, 1999, DSS and the Contractor entered into an agreement under which, inter alia, the DSS Agreement was terminated on that date;
- (e) On 24th May, 1999 POCL and the Contractor entered into an agreement (the "Letter Agreement") under which they agreed that certain changes should be made to the POCL Agreement and the Authorities Agreement with effect from that date.

- (f) Under the Letter Agreement POCL and the Contractor agreed, inter alia, to replace the POCL Agreement and the Authorities Agreement (each as amended under change control procedures) with a single agreement (the "Codified Agreement") codifying the changes to those agreements agreed in the Letter Agreement;
- (g) This Codified Agreement is the Codified Agreement referred to in the Letter Agreement.

NOW THEREFORE IT IS HEREBY AGREED as follows:

## **PART 1 : INTRODUCTION**

### **Clause 101. Contract Structure**

#### **101.1 The Codified Agreement**

Without prejudice to Clause 810.10 of this Codified Agreement, each of the POCL Agreement and the Authorities Agreement is hereby terminated and replaced by the provisions of this Codified Agreement with immediate effect.

#### **101.2 Amendments to Clauses, Schedules and Annexes of this Codified Agreement**

The provisions of this Codified Agreement shall only be amended in accordance with the Change Control Procedure.

#### **101.3 Failure by POCL to perform its Obligations**

The Contractor shall not be liable to POCL for any failure to perform or delay in performing its obligations hereunder where the Contractor proves that such failure or delay has been directly caused by the failure of POCL to perform any of its obligations under this Codified Agreement. This Clause shall not apply to Clause 809, which shall be governed by the specific rule stated in Clause 809.2.

### **Clause 102. Interpretation**

#### **102.1 As used in this Codified Agreement:**

102.1.1 the terms and expressions set out in Schedule A1 shall have the meanings ascribed therein;

102.1.2 the masculine includes the feminine and the neuter; and

102.1.3 the singular includes the plural and vice versa.

#### **102.2 A reference to any statute, enactment, order, regulation or other similar instrument shall be construed as a reference to the statute, enactment, order, regulation or instrument as amended by any subsequent statute, enactment, order, regulation or**

instrument or as contained in any subsequent re-enactment thereof.

- 102.3 Headings are included in this Codified Agreement for ease of reference only and shall not affect the interpretation or construction of this Codified Agreement.
- 102.4 References in this Codified Agreement to Clauses, Parts and Schedules are, unless otherwise provided, references to the clauses, parts and schedules of this Codified Agreement. References to CCDs and CRDs are to the documents agreed as such from time to time.
- 102.5.1 Subject to Clause 102.5.2, in the event and to the extent only of any conflict or inconsistency between provisions of this Codified Agreement, the following order of precedence shall apply:-
- (a) the Clauses and Schedule A1;
  - (b) Schedules A2 to A14 and A17;
  - (c) the Service Definition Schedules and Schedule G6;
  - (d) Schedule A15;
  - (e) Schedule A16;
  - (f) all other Schedules;
  - (g) CCDs; and
  - (h) CRDs.
- 102.5.2 In the event of any conflict or inconsistency in relation to Service Levels, the provisions of the Service Level Schedules shall prevail over those of the Service Definition Schedules and Schedules A15, A16 and G6 (but not the Clauses or Schedules A1 to A14 or A17) to the extent of such conflict or inconsistency.
- 102.5.3 For the avoidance of doubt, POCL acknowledges that a particular solution in Schedule A16 shall not be treated as being in conflict or inconsistent with any requirement in Schedule A15, or the Service Definition Schedules or Schedule G6, merely because the solution states that the requirement will be met in a particular form, manner, quantity, time or place.
- 102.6 The Recitals are not legally binding, but are intended as a guide to the interpretation and construction of this Codified Agreement.
- 102.7 Where this Codified Agreement imposes upon either party an obligation which was also imposed on that party under the Authorities Agreement or POCL Agreement then to the extent that such obligation has been performed under the Authorities

Agreement or POCL Agreement it shall be deemed to have been performed under the corresponding provision of this Codified Agreement (but continuing obligations shall continue under this Codified Agreement).

102.8 Where any provision of this Codified Agreement requires or permits a matter to be agreed between the parties or approved by either of the parties and such provision was also contained in the Authorities Agreement or POCL Agreement, any agreement reached or approval given under the Authorities Agreement or POCL Agreement shall be deemed to have been reached or given under the corresponding provision of this Codified Agreement.

102.9 References in CCDs, CRDs and Schedules agreed prior to the date of this Codified Agreement to NR2 or NR2+ shall be construed so as to refer to such of CSR or *Core System Requirements* CSR+ as shall be appropriate having regard to the functionality of the item or service to which such reference relates, as determined by the SADD and any *Service Architecture Design Doc* relevant Release Contents Description. Likewise, references in such CCDs, CRDs and Schedules to other items, services or matters affected by subsequent agreements between the parties (including this Codified Agreement) shall be construed to reflect most appropriately the effect of such subsequent agreements.

102.10 It is expressly agreed that Clause 201.6 and (notwithstanding that they refer to CCDs) the definitions of "Core System" and "CSR+" shall take precedence over all other provisions of this Codified Agreement (including the Schedules) which define the Core System, CSR+, the Core System Services or the POCL Services.

#### Clause 103. Severability

If any of the provisions of this Codified Agreement is judged to be invalid, illegal or unenforceable, the continuation in full force and effect of the remainder of them will not be prejudiced but such provision shall be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the parties herein set forth.

#### Clause 104. Law and Jurisdiction

104.1 This Codified Agreement shall be governed by and shall be interpreted in accordance with English Law and, subject to Clause 807, the parties submit to the exclusive jurisdiction of the English Courts.

104.2 Except as specified in Clause 101, this Codified Agreement is binding on POCL and its successors and permitted assignees and on the Contractor and the Contractor's successors and permitted assignees.

#### Clause 105. Entire Agreement

105.1 This Codified Agreement constitutes the entire understanding between the parties

relating to the subject matter of this Codified Agreement. Each of the parties acknowledges that in entering into this Codified Agreement it has not relied on any representation, warranty, promise or assurance, whether or not in writing, and whether or not negligent, given or made by any other party as an inducement to enter into this Codified Agreement. Accordingly no party shall have any right of action (except in the case of fraud) against any other party arising out of any such representation, warranty, promise or assurance.

- 105.2 This Codified Agreement supersedes the Letter Agreement, the schedules to the Letter Agreement, the Heads of Agreement referred to in the Letter Agreement, the POCL Agreement and the Authorities Agreement, each of which shall be of no further effect (but without prejudice to rights and liabilities of the Parties accruing under the Letter Agreement, the schedules thereto or the Heads of Agreement between 24 May, 1999 and the date of this Codified Agreement).
- 105.3 The parties acknowledge that the consent agreement (the "Consent Agreement") dated 16th September, 1997 among DSS, POCL, ICL plc, the Contractor and ICL Pathway Asset Company Limited shall not be terminated by the execution of this Codified Agreement and that references in the Consent Agreement to the "POCL Agreement", the "Authorities Agreement" or the "Related Agreements" or any provisions thereof shall be references to this Codified Agreement or (as the case may be) the equivalent provisions of this Codified Agreement.

**Clause 106. General Principles**

- 106.1 POCL shall control the rights for using and marketing the POCL Services provided in post offices. The Contractor shall have no control over the use or marketing of the POCL Services.
- 106.2 The Contractor shall offer all reasonable assistance to POCL in preventing fraudulent use of the POCL Services and POCL Service Infrastructure by POCL's employees and Agents.
- 106.3 The POCL Services and the POCL Service Infrastructure shall be provided in accordance with and comply with all relevant applicable industry standards, as these are listed in Schedule A2.
- 106.4 The Contractor shall, if so requested by POCL, work with POCL to identify and develop new business opportunities for POCL and the Contractor.
- 106.5 For the avoidance of doubt, the Contractor shall ensure migration of appropriate automated systems without any reduction in existing service or security levels to POCL's clients and customers.
- 106.6 Except as otherwise agreed from time to time between POCL and the Contractor, POCL will retain control itself of its critical business processes and relationships, such as:



- 106.6.1 customer interface, including quality of service (such as queuing time and other customer charter measures) to its customers, network format, location of offices and service standards;
- 106.6.2 contractual relationships with Agents;
- 106.6.3 contractual relationships with its clients;
- 106.6.4 policy control of its network;
- 106.6.5 its reconciliation, settlement and key infrastructure support processes;
- 106.6.6 its relationship with its suppliers; and
- 106.6.7 its product and service design.
- 106.7 The Contractor shall not restrict POCL from using the POCL Services and the POCL Service Infrastructure for its existing and future clients, Agents, customers, products and services.
- 106.8 The Contractor's and its subcontractors' contacts with Agents shall be arranged via POCL.
- 106.9 The POCL Service Infrastructure (other than any Public Service Telecommunications Networks) may not be used other than by POCL without the prior written consent of POCL to provide any services to:
  - (a) POCL's current clients in respect of current products and services;
  - (b) POCL's current clients in respect of new products and services;
  - (c) new clients in respect of current products and services;
  - (d) new clients in respect of new products and services; or
  - (e) POCL's current market domains (including:
    - personal cash and banking services - cash withdrawals and deposits, cashing cheques, benefit payments and postal orders;
    - communications - letter and parcel services including stationery and greetings products, other telecommunications retail products and services;
    - corporate cash services - cash management services for business customers, including business deposits, cash handling and processing;

- entertainment and leisure services - lotteries, fishing licences, membership applications, TV licences and cable TV bill payment, tickets for events;
- personal savings and budgeting - savings and investment accounts, household bill payment and pre-payment, credit services, personal pensions, household insurance;
- travel services - foreign exchange, international money transfer and documentation including passports, travel tickets and motor vehicle licences, car insurance and membership of motoring organisations, travel insurance;
- insurance - other general risk insurance and life assurance products;
- information services - about the products and services offered by POCL and its clients;
- benefit payment services).

106.10 The Contractor shall deliver and continue to provide a secure system in respect of all transactions which as far as this Codified Agreement requires eliminates the potential for any fraud or unauthorised disclosure of data and provides detection procedures and significant barriers to attacks from internal conspiracy and collusion to defraud POCL.

106.11 The POCL Services and the POCL Service Infrastructure shall be capable of introduction in all post offices.

106.12 For the avoidance of doubt, and without limitation to the generality of Clause 902.2, any failure by the Contractor to comply with any of the provisions of Clauses 106.7, 106.8 or 106.9 shall be treated as a Default for the purposes of Clause 902.2.

## PART 2 : PERFORMANCE OF POCL SERVICES AND SUPPLY OF PRODUCTS

### Clause 201. Performance of Core System Services

201.1 [Not used]

201.2 Subject to Clause 201.6 the Contractor shall be responsible for meeting the requirements specified in Schedule A15 in accordance with the Solutions specified in Schedule A16 by performing the Core System Services referred to in Clause 201.3. However, for the avoidance of doubt, and subject to Clauses 102.5 and 201.6, the parties acknowledge that POCL's acceptance of the Contractor's solutions in Schedule A16 and their agreement to the service descriptions contained in the relevant Schedules of this Codified Agreement, shall not relieve the Contractor of its



obligation to meet such of those requirements specified in Schedule A15 as relate to the Core System, CSR+ and, subject to Clause 301.10, other Releases as referred to in Clause 210.

201.3 Subject to Clause 201.6 the Contractor shall perform the following Core System Services in accordance with all applicable provisions hereof:

201.3.1 the Development Services pursuant to Clause 403;

201.3.2 the Implementation Services pursuant to Clause 404;

201.3.3 the Operational Services pursuant to Clause 405;

201.3.4 the Management Services pursuant to Clause 602; and

201.3.5 the Transfer Services pursuant to Clause 904.

201.4 The Contractor shall, at no cost to POCL:-

201.4.1 strip out from, or suppress in, the Core System Release the functionality of;  
and

201.4.2 strip out from CSR+

all software relating exclusively to the aborted benefit encashment service or to PAS or ~~GMS~~-(as defined under the DSS Agreement).

201.5 To support the performance of the POCL Services, the Contractor shall supply to POCL one hard copy and one electronic copy of each version of the Service Architecture Design Document in accordance with all applicable provisions hereof. For the avoidance of doubt, the Contractor acknowledges that agreement by POCL to the SADD shall not relieve the Contractor of its obligation to continue to perform the POCL Services in accordance with all applicable provisions of this Codified Agreement

201.6 Notwithstanding any other provision of this Codified Agreement to the contrary, the Contractor's obligations in relation to those elements of the Core System Services which are dependent on software releases are limited to the provision of:-

(a) following the Core System Release, such of those elements as are dependent on the Core System Release;

(b) following CSR+, such of those elements as are dependent on CSR+; and

(c) in further Releases pursuant to Clause 210, such additional Core System Services as may be agreed in accordance with the Change Control Procedure and the provisions of Clause 301.10

and references to the Core System Services and any category of them shall be construed accordingly.

**Clause 202. Performance of Optional POCL Services**

POCL shall have the option, exercisable on prior written notice to the Contractor, of obtaining any of the Optional POCL Services described in Schedule C1.

Such Optional POCL Services shall be performed in accordance with all applicable provisions hereof.

**Clause 203. Performance of POCL Client Services**

The Contractor shall provide POCL with such services as may be agreed by the Contractor and POCL in relation to Royal Mail, DVLA, DNS, Girobank plc and the Co-operative Bank plc (and other POCL clients as may be agreed). Such services shall be performed in accordance with all applicable provisions of this Codified Agreement.

**Clause 204. Performance of Additional POCL Services**

The Contractor undertakes to perform at any time during the term of this Codified Agreement such Additional POCL Services as may be agreed by it and POCL in accordance with the provisions of Clause 101.2 for the purposes contemplated by this Codified Agreement and within the scope of the Advertisement. Such Additional POCL Services shall be performed in accordance with all applicable provisions of this Codified Agreement.

**Clause 205. Supply of Core System Products**

205.1 To support the performance of the POCL Services, the Contractor shall supply the following Core System Products in accordance with all applicable provisions hereof:

205.1.1 all of the Products comprising the POCL Service Infrastructure;

205.1.2 the Documentation.

205.2 The Contractor warrants that the Documentation comprises:

(a) a complete set of operating manuals; and

(b) a complete set of manuals for the POCL Service Architecture.

205.3 In addition to one hard copy of the Documentation provided by the Contractor, the Contractor shall provide POCL with an electronic copy at no additional charge.

**Clause 206. Supply of Optional Products**

POCL shall have the option, exercisable on prior written notice to the Contractor, of obtaining, as Optional Products, all or any items of the same type as the elements of the POCL Service Infrastructure provided by the Contractor for use on the POCL Premises (other than any Public Service Telecommunications Network equipment).

The Optional Products shall be supplied in accordance with all applicable provisions hereof.

**Clause 207. Supply of Additional Products**

The Contractor undertakes to supply at any time during the term of this Codified Agreement such Additional Products as may be agreed by it and POCL in accordance with the provisions of Clause 101.2 for the purposes contemplated by this Codified Agreement and within the scope of the Advertisement. Such Additional Products shall be supplied in accordance with all applicable provisions hereof.

**Clause 208. Supply of POCL Consumables**

POCL shall have the option of obtaining all or any of the POCL Consumables in such quantities as may be reasonably required by POCL by giving the Contractor not less than thirty (30) days prior written notice thereof. The POCL Consumables shall be supplied in accordance with all applicable provisions hereof.

**Clause 209. Contractor Consumables**

The Contractor shall provide all Contractor Consumables which are required for the performance of the POCL Services.

**Clause 210 Further Releases**

210.1 Subject to the Change Control Procedure, further Releases of Software to provide additional functionality relevant to the Core System shall be provided by the Contractor by way of upgrades to CSR or CSR+.

210.2 The Contractor may also issue further Releases of Software from time to time as necessary to remedy defects in the provision of the POCL Services or for the purpose of maintenance of the POCL Service Infrastructure.

**Clause 211 Further Use of the Core System**

In parallel with the performance of the Contractor's obligations under this Codified Agreement, POCL confirms its desire to use the Core System for network banking and the provision of services (via smart cards) for Modern Government. POCL will therefore work with the Contractor to revive and continue the discussions on the Public Private Partnership considered by the parties prior to the date of this Codified Agreement. It is hoped that the parties can together develop a business strategy in these areas which they can deliver

through appropriate arrangements under a Public Private Partnership in order to leverage the use of the Core System and develop to the full POCL's potential for the delivery of electronic business services.

### **PART 3 : CONSIDERATION**

#### **Clause 301. Charges**

##### **301.1 Core System Charges**

The Charges for the provision of the POCL Service Infrastructure and the Core System Services shall be calculated in accordance with Part A of Schedule A12 to this Codified Agreement.

##### **301.2 Charges for Optional POCL Services**

The Charges for any Optional POCL Services shall be calculated in accordance with paragraph 8 of Schedule A12 to this Codified Agreement.

##### **301.3 Charges for POCL Client Services**

The Charges for any POCL Client Services shall be calculated in accordance with paragraph 9 of Schedule A12 to this Codified Agreement.

##### **301.4 Charges for Additional POCL Services**

The Charges for Additional POCL Services shall be as set out in paragraph 10 of Schedule A12 to this Codified Agreement.

##### **301.5 Core System Products**

The costs of supply of the Core System Products are included within the charges referred to in Clause 301.1 above.

##### **301.6 Optional Products**

The Charges for the supply of any Optional Products shall be calculated in accordance with paragraph 12 of Schedule A12 to this Codified Agreement.

##### **301.7 Additional Products**

The Charges for the supply of any Additional Products shall be calculated in accordance with the Contractor's then current list prices but shall in no event exceed the prices then generally offered in the United Kingdom for such products on similar terms.

**301.8 POCL Consumables**

The Charges for the supply of any POCL Consumables shall be as specified in Schedule B4.

**301.9 Contractor Consumables**

All Contractor Consumables shall be supplied at the expense of the Contractor.

**301.10 Further Releases**

301.10.1 Further releases of Software which fall within Clause 210.1 shall be provided either:-

301.10.1.1 on the basis of appropriate time and material charges (as set out in paragraph 14 of Schedule A12) which shall be invoiced monthly in arrears; or

301.10.1.2 for a fixed price to be agreed (on payment terms to be agreed) which shall not be audited

as elected by POCL.

301.10.2 Further releases of Software which fall within Clause 210.2 shall be provided at no cost to POCL.

**Clause 302. Packaging**

No additional charge shall be made for packaging used by the Contractor. All such packaging shall be removed by the Contractor at no additional cost when no longer required.

**Clause 303. Payment**

303.1 In consideration of the supply of the Products and the performance of the POCL Services in accordance with the provisions of this Codified Agreement POCL shall pay the Charges.

303.2 Payment of Charges in relation to the POCL Services performed hereunder shall be made in accordance with the invoicing and payment procedure specified in Schedule A10.

303.3 In the event that the Contractor, in accordance with the terms of this Codified Agreement, enters into a supply contract or a sub-contract in connection with this Codified Agreement, the Contractor shall ensure that a term is included in the supply contract or sub-contract which requires the Contractor to pay all sums due thereunder to the relevant supplier or sub-contractor within a specified period, not

to exceed thirty (30) days, from the date of receipt of a valid invoice as defined by the terms of the supply contract or sub-contract (as appropriate).

**Clause 304. Value Added Tax**

It is hereby agreed that the Charges are exclusive of Value Added Tax, which POCL shall pay to the Contractor at the rate and in the manner prescribed by law from time to time, subject to the production by the Contractor of a valid tax invoice giving the requisite details of the taxable supply.

**PART 4 : DEVELOPMENT, IMPLEMENTATION AND PERFORMANCE OF OPERATIONAL SERVICES**

**Clause 401. Transfer of Assets and Agreements**

**401.1 Sale and Purchase**

401.1.1 POCL, free of encumbrances, liens, charges, mortgages, pledges or other third party rights, shall sell and transfer and the Contractor shall purchase and accept the POCL Transferred Assets (if any) listed in Schedule A9.

401.1.2 Subject to Clause 401.1.3, the POCL Transferred Assets are sold and transferred by POCL to the Contractor "as is" and POCL provides no warranty as to the state, quality or fitness for purpose of the POCL Transferred Assets and all such statutorily implied warranties are hereby excluded. POCL warrants it has good title to the POCL Transferred Assets.

401.1.3 To the extent to which POCL is legally able to do so, POCL hereby assigns all POCL's rights against manufacturers, suppliers and third parties in respect of the POCL Transferred Assets to the Contractor. POCL shall at the Contractor's request and expense give to the Contractor reasonable assistance to enable the Contractor to enforce such rights.

401.1.4 Title to and risk in the POCL Transferred Assets shall pass to the Contractor on the Transfer Date.

**401.2 Sale Consideration**

401.2.1 As consideration for the agreement by POCL to sell the POCL Transferred Assets, the Contractor hereby agrees to pay to POCL the sum of £1 (if and when requested).

401.2.2 It is hereby agreed that the sum to be paid pursuant to this Clause 401.2.1 is exclusive of Value Added Tax, which the Contractor shall pay to POCL at the rate and in the manner prescribed by law from time to time, in addition to the sum payable in Clause 401.2.1, subject to the production by POCL of a valid tax invoice giving the requisite details of the taxable supply.



### 401.3 ISDN Lines

- 401.3.1 With effect from the Transfer Date POCL shall assign to the Contractor the benefit of all agreements entered into between POCL and British Telecom Plc to the extent relating to the provision of ISDN lines in Outlets in connection with services to be migrated to the POCL Services (the "Relevant ISDN Agreements") and the Contractor agrees to assume and duly perform all of POCL's obligations in relation to the Relevant ISDN Agreements. The parties shall, unless otherwise agreed, enter into a deed of novation with British Telecom PLC to effect such assignment and assumption on the Transfer Date or as soon as reasonably practicable thereafter.
- 401.3.2 POCL undertakes to pay, discharge and satisfy all liabilities and obligations arising in the period up to the Transfer Date when the same fall due to be paid, satisfied or discharged in respect of the Relevant ISDN Agreements and to indemnify the Contractor from and against such liabilities and against any and all losses, costs, liabilities and expenses arising out of or in connection therewith. The Contractor undertakes to reimburse POCL upon the Transfer Date in respect of all pre-payments made by POCL which relate to any period following the Transfer Date. The Contractor and POCL shall prior to the Transfer Date prepare and agree a written statement itemising such pre-payments.
- 401.3.3 The Contractor undertakes to pay, discharge and satisfy all liabilities and obligations arising after the Transfer Date when the same fall due to be paid, satisfied or discharged in respect of the Relevant ISDN Agreements and to indemnify POCL from and against such liabilities and against any and all losses, costs, liabilities and expenses arising out of or in connection therewith.

### 401.4 Completion

- 401.4.1 Completion of the sale and purchase and/or transfer shall take place on the Transfer Date at the offices of POCL.
- 401.4.2 Upon completion POCL shall deliver to the Contractor:
- 401.4.2.1 quiet possession of all the relevant POCL Transferred Assets;
  - 401.4.2.2 executed documentation sufficient for the purpose of transferring title to the relevant POCL Transferred Assets;
  - 401.4.2.3 copies of documentation relating to the Relevant ISDN Agreements including relevant technical information and terms and conditions of such Relevant ISDN Agreements.

401.4.3 Upon completion of the Transfer the Contractor shall pay to POCL in a manner to be agreed between the parties the sum specified in Clause 401.2.1.

401.5 Transfer of Undertakings (Protection of Employment) Regulations 1981

401.5.1 In the event that, by virtue of the application for whatever reason of the Transfer of Undertakings (Protection of Employment) Regulations 1981 (as amended or replaced from time to time) to the assumption of responsibility by the Contractor for the provision of all or any part of the POCL Services hereunder, there is transferred to the Contractor any contract of employment of any employee of POCL, and provided that the Contractor:

- (i) shall not have offered employment to such employee or otherwise have encouraged him to seek or to claim employment with the Contractor; and
- (ii) shall have notified POCL in writing of the Contractor's intention to terminate the employment of such employee at least fourteen (14) days before terminating such employment; and
- (iii) shall immediately after such notification to POCL have given POCL reasonable opportunity to offer such employee reemployment with POCL; and
- (iv) shall have terminated the employment of such employee as soon after the date on which the Contractor first became aware of the transfer to it of his employment as permitted under the relevant contract of employment,

POCL, subject always to the Contractor's proper observance of its obligations under this Clause, shall fully indemnify the Contractor from and against any and all liabilities and obligations which the Contractor may incur in connection therewith (including any liabilities and obligations, accruing prior to such transfer of employment, in relation to personal injury, sexual discrimination and any liabilities and obligations arising after such transfer of employment on the subsequent termination of employment by the Contractor of any such employees so transferred to it).

401.5.2 In the event of any claim or demand being made or action brought to which Clause 401.5.1 applies, POCL shall be promptly notified thereof and POCL shall at its own expense conduct all negotiations for settlement of the same and any legal proceedings that may arise therefrom. The Contractor, its sub-contractors, agents and employees shall at the request of POCL afford all reasonable assistance for the purpose of contesting any such claim or demand or action and shall be repaid any reasonable expense



incurred in so doing and shall not make any admissions which may be prejudicial to the defence of any such claim or demand or action.

**Clause 402. Operational Trial**

- 402.1 The Contractor shall, during the Operational Trial Period, make available the Operational Trial System for the Operational Trial as set out in Schedules L1 to L5 to be performed in accordance with the timetable set out in Schedule L2
- 402.2 The objectives of the Operational Trial shall be as specified in Schedule L1.
- 402.3 Operational Trial and the Operational Trial System shall be used to test the Core System for the purposes of Schedule A11.
- 402.4 [Not used]
- 402.5 [Not used]
- 402.6 [Not used]
- 402.7 POCL will perform its Operational Trial Responsibilities as set out in Schedule L4.
- 402.8 For the avoidance of doubt, the Contractor acknowledges that successful completion of acceptance testing of any part of the Operational Trial System shall not relieve it of its obligation to continue to perform the POCL Services hereunder in accordance with all applicable provisions hereof.
- 402.9 Notwithstanding the foregoing provisions of this Clause, POCL shall have no right of termination of this Codified Agreement in relation to failure of the Operational Trial System successfully to complete the Operational Trial except in accordance with Schedules A11 and L5.

**Clause 403. Development Services**

The Contractor shall perform the following Development Services:

- 403.1 development of the Automated Payment Service as described in Schedule E1;
- 403.2 development of EPOSS as described in Schedule F1;
- 403.3 development of the POCL Infrastructure Services as described in Schedule G1;
- 403.4 development of the OBCS as described in Schedule H1;
- 403.5 development of the Logistics Feeder Service as described in Schedule K1;
- 403.6 development of Optional POCL Services as described in Schedule C1 ;

- 403.7 development of the Service Architecture Design Document; and
- 403.8 development of the Contingency Services as described in Schedules E9, F9, G11, H9 and K9.

**Clause 404. Implementation of POCL Service Infrastructure and Operational Services**

- 404.1 The Contractor shall implement the POCL Service Infrastructure in accordance with the provisions and timetable in Schedule G6. Elements of the POCL Service Infrastructure shall be subject to Acceptance.
- 404.2 POCL may on prior written notice defer implementation of any part of the Operational Services and of any of the POCL Service Infrastructure until successful completion of the Operational Trial under the foregoing provisions of this Clause.
- 404.3 The Contractor shall implement the Automated Payment Service in accordance with the timetable in, and the provisions of, Schedule E4. Elements of the Automated Payment Service shall be subject to Acceptance.
- 404.4 The Contractor shall implement EPOSS in accordance with the timetable in, and the provisions of, Schedule F4. Elements of EPOSS shall be subject to Acceptance.
- 404.5 The Contractor shall implement the POCL Infrastructure Services in accordance with the timetable in, and the provisions of, Schedule G6. Elements of the POCL Infrastructure Services shall be subject to Acceptance.
- 404.6 The Contractor shall implement OBCS in accordance with the timetable in, and provisions of, Schedule H4. Elements of OBCS shall be subject to Acceptance.
- 404.7 The Contractor shall implement the Logistics Feeder Service in accordance with the timetable in, and provisions of, Schedule K4.

**Clause 405. Performance of Operational Services**

Subject to the Release Authorisation Board authorising commencement of National Rollout of the Core System and subject to Clause 201.6, the Contractor shall, from the date of CSR Acceptance, perform the following Operational Services:

- 405.1 the Automated Payment Service, in accordance with the provisions of Schedule E1;
- 405.2 EPOSS, in accordance with the provisions of Schedule F1;
- 405.3 the POCL Infrastructure Services, in accordance with the provisions of Schedule G1;
- 405.4 the OBCS in accordance with the provisions of Schedule H1;

- 405.5 the Logistics Feeder Service in accordance with the provisions of Schedule K1;
- 405.6 the POCL Contingency Services in accordance with the provisions of Schedules E9, F9, G11, H9 and K9;
- 405.7 any Optional POCL Services ordered pursuant to Clause 202 in accordance with the provisions of Schedule C1.

**Clause 406. Inspection of POCL Premises**

- 406.1 The Contractor confirms that it has been offered the opportunity to inspect the POCL Premises in order to satisfy itself that the POCL Premises are suitable for the installation and operation of the Products in the POCL Service Infrastructure and the supply of the POCL Services. However, the Contractor does not warrant that the use of such Products when installed will comply with applicable Health and Safety legislation or that the POCL Premises will comply with such legislation, only that installation work carried out by the Contractor and the Products as installed in their immediately surrounding environment will so comply. The Contractor shall not be liable for any delay or Default directly caused by any delay or failure in obtaining any third party consents or licences which are necessary to permit such installation.
- 406.2 In relation to any work at the POCL Premises which is required as referred to in paragraph 3.2 of Annex 4 to Schedule A12, the Contractor shall inspect the POCL Premises, specify the necessary work and, subject to POCL's prior written approval of the work to be done and the costs thereof, carry out such work. The costs of such work shall be chargeable to POCL in accordance with paragraphs 6 and 13 of, and Annex 4 to Schedule A12. POCL reserves the right to arrange for such work to be done by parties other than the Contractor in accordance with procedures and specifications reasonably agreed by the parties. The Contractor will not be liable for any delay or Default directly caused by such changes being made by a party other than the Contractor.
- 406.3 POCL shall only be liable to pay for the Contractor's costs for those changes to the POCL Premises which are strictly necessary to install the Products to enable the Contractor to perform the POCL Services, and these costs shall only be chargeable pursuant to the charging structure in Annex 4 to Schedule A12. The Contractor will minimise such installation and operations costs.

**Clause 407. Marking of Products**

The Contractor shall ensure that each Product in the POCL Service Infrastructure is clearly marked with a functional title or code so that it can be readily identified in the relevant Documentation and related to its proper place in the POCL Service Infrastructure.

**Clause 408. Delivery of Products and POCL Consumables**

The Contractor shall deliver any Products and POCL Consumables to an authorised representative of POCL at times and locations to be mutually agreed between the Contractor and POCL (such agreement not to be unreasonably withheld or delayed). Any Software supplied as a Product will be delivered in object code.

**Clause 409. Products and Services**

The Contractor shall not introduce any product or service into the POCL Service Infrastructure or POCL Services, nor make any change to any Products or POCL Services, without POCL's prior written consent in accordance with Schedule A5.

**Clause 410. Contingency Services**

The Contractor shall perform the Contingency Services in accordance with the provisions of Schedules E9, F9, G11, H9 and K9.

**Clause 411. Acceptance of Core System**

411.1 Provisions relating to CSR Acceptance are set out in Schedule A11.

411.2 The Contractor agrees that if, following CSR Acceptance, any fault arises in connection with the Core System which:

- (a) was not identified as an Acceptance Incident; but which
- (b) might reasonably have been expected to have been identified as an Acceptance Incident had the Acceptance Criteria, Acceptance Specifications and Acceptance Tests agreed in relation to the Core System prior to execution of this Codified Agreement been appropriately revised and applied (i) to reflect in all material respects the removal from the Services of BES, PAS and CMS (in each case as defined under the Related Agreements immediately prior to 24 May, 1999) and (ii) to ensure that the Core System were not affected by such removal

then the Contractor shall remedy such fault in accordance with Clause 411.3 below at the expense of the Contractor.

411.3 In the case of category (a) faults (as defined in Schedule A11) such remedy shall be effected forthwith on discovery of the fault and in the case of category (b) faults (as so defined) it shall be effected promptly following discovery of the fault.

411.4 The occurrence of a fault to which Clause 411.2 applies shall not invalidate CSR Acceptance or entitle POCL to claim that CSR Acceptance has not, or should not have, taken place, or that any sum due to the Contractor upon CSR Acceptance should be withheld or repaid.

- 411.5 CSR+ shall be subject to Release authorisation by the Release Authorisation Board but not subject to Acceptance.

**Clause 412. Inventory**

- 412.1 The CCD entitled "CSR Asset Register" contains an inventory of the hardware and software to be used to provide the host and network facilities of the POCL Service Infrastructure and located in the Contractor's datacentres as at Acceptance of the Core System.
- 412.2 The Contractor undertakes to maintain throughout the term of this Codified Agreement hardware and software in relation to the POCL Service Infrastructure providing, as a whole, equivalent capability to those listed in the CSR Asset Register.
- 412.3 The Contractor may replace, upgrade, remove or decommission hardware and software from time to time comprised in the POCL Service Infrastructure provided that it continues at all times to comply with its undertaking contained in Clause 412.2.

**PART 5 : OWNERSHIP, LICENCES AND RISK**

**Clause 501. Ownership of Hardware**

Ownership of the Hardware shall either vest in POCL upon acceptance thereof or shall remain in the Contractor (or its licensors), as specified in Schedule B2. However, POCL shall not acquire title to any Intellectual Property Rights in the Hardware.

**Clause 502. Ownership of Software**

Ownership of the media on which such Software is supplied by the Contractor shall either vest in POCL upon acceptance thereof or shall remain in the Contractor (or its licensors), as specified in Schedule B1. However, POCL shall not acquire title to any Intellectual Property Rights in the Software, other than Specially Written Software, the Intellectual Property Rights in which are specified in Schedule B1 as vesting in POCL, the ownership to which shall vest in POCL upon acceptance thereof.

**Clause 503. Ownership of Documentation**

Ownership of the media on which Documentation is supplied by the Contractor shall vest in POCL. However, POCL shall not acquire title to the Intellectual Property Rights in the Documentation.

**Clause 504. Ownership of POCL Data and Intellectual Property Rights in the POCL Service Architecture**

- 504.1 The Contractor acknowledges that the POCL Data is the property of POCL and POCL hereby reserves all Intellectual Property Rights which may subsist in the POCL Data.



The Contractor shall not delete or remove any copyright notices contained within or relating to the POCL Data.

- 504.2 The Contractor shall preserve the integrity of the POCL Data once the Contractor has received such POCL Data, shall prevent any corruption or loss of the POCL Data and shall comply with the validation procedures set out in Schedule B8 as such procedures may be updated and amended from time to time. The Contractor shall not be liable for any loss or corruption of POCL Data nor for any failure to perform the POCL Services if it can prove that such loss or corruption or failure to perform the POCL Services was caused by POCL Data which was lost or corrupted before the Contractor received it, and the Contractor has complied with the validation rules in relation to such POCL Data.
- 504.3 In the event that the POCL Data is corrupted or lost in the course of performing the POCL Services POCL shall have the option, in addition to any other remedies that may be available to it either under this Codified Agreement or otherwise, to elect either of the following remedies:
- 504.3.1 POCL may require the Contractor at its own expense to restore or procure the restoration of the POCL Data; or
- 504.3.2 POCL may itself restore or procure restoration of the POCL Data, and shall be repaid by the Contractor any reasonable expenses so incurred.
- 504.4 For the purposes of Clauses 504.2 and 504.3, the term "POCL Data" shall include the data of POCL's clients.
- 504.5 Ownership of any Intellectual Property Rights in that part of the design of the POCL Service Architecture (as set out in the Service Architecture Design Document) which is developed during the performance of the POCL Services shall vest in the Contractor. Any use by the Contractor of the overall design of the POCL Service Architecture within the United Kingdom for purposes other than in connection with this Codified Agreement shall be subject to the prior written agreement of POCL on reasonable commercial terms (such agreement not to be unreasonably withheld or delayed).
- 504.6 POCL Data constitutes Confidential Information, and may not be reproduced without the prior written consent of POCL except as necessary to perform the POCL Services.
- 504.7 The Contractor shall not do anything to prejudice the security of the POCL Services.

**Clause 505. Ownership of POCL Consumables**

Ownership of any POCL Consumables supplied hereunder shall vest in POCL upon delivery thereof in accordance with Clause 408.

**Clause 506. Licences to use Intellectual Property Rights**

506.1 In consideration of the payment of the relevant Charges the Contractor hereby grants, or shall procure that the owner of the Intellectual Property Rights in the Specially Written Software and the Documentation (other than the Specially Written Software, and Documentation in which ownership of the Intellectual Property Rights vests in POCL pursuant to Clause 502) grants POCL a perpetual, royalty-free, irrevocable (subject to Clause 506.12) and non-exclusive licence to Use the relevant Specially Written Software, to use and copy solely in connection with the Services the Documentation listed in Part A of Schedule B3 and to use, copy and modify solely in connection with the Services the Documentation listed in Part B of Schedule B3.

506.2 [Not Used]

506.3 In consideration of the payment of the relevant Charges the Contractor hereby grants to POCL a royalty-free, non-exclusive licence to Use the Contractor's Software. Such licence to Use the Contractor's Software shall, subject to Clause 506.12, be perpetual and irrevocable. POCL's licence to Use such Contractor's Software shall be subject to any additional terms and conditions specified in Schedule B1 which do not detract from the rights granted to POCL hereunder.

506.4 In respect of Third Party Software supplied hereunder, the Contractor shall in consideration of the payment of the relevant Charges:

506.4.1 use all reasonable efforts to procure the right to grant to POCL a perpetual, royalty-free, irrevocable (subject to Clause 506.12) and non-exclusive sub-licence to Use such Third Party Software, subject to Clause 506.6 and Clause 506.7, and, by the entering into of this Codified Agreement shall grant such sub-licence; or

506.4.2 if the Contractor is unable to procure the right to grant the sub-licence referred to in Clause 506.4.1 the Contractor shall procure, prior to the commencement of the Operational Trial Period (or in respect of Optional Products or Additional Products, prior to the provision thereof), that the third party grants to POCL a royalty-free and non-exclusive licence to Use the Third Party Software subject to Clause 506.6 and Clause 506.7, and shall use all reasonable endeavours to ensure that such licence is perpetual and (subject to Clause 506.12) irrevocable;

POCL's licence or sub-licence to Use such Third Party Software shall be subject to any additional terms and conditions imposed by the licensor, provided that any terms of any sub-licence granted under sub-Clause 506.4.1 or any licence granted under sub-Clause 506.4.2 shall not detract from the rights granted to POCL hereunder.

- 506.5 In consideration of the payment of the relevant Charges the Contractor hereby grants to POCL or shall procure prior to the commencement of any use by POCL that the relevant Third Party grants to POCL a royalty-free non-exclusive licence to use the Internal Code in connection with the Hardware of which it forms an integral part. Such licence to use the Internal Code shall, subject to Clause 506.12, be perpetual and irrevocable. On the sale or transfer of an item of Hardware of which Internal Code is an integral part, licence to use such Internal Code in combination with the said item of Hardware shall pass to the purchaser or other transferee of the said item of Hardware. POCL shall take all reasonable steps to ensure that the purchaser or transferee of the said item of Hardware agrees to comply with the licence to use the Internal Code that was previously enjoyed by POCL.
- 506.6 POCL shall be entitled to engage a third party to Use the Specially Written Software and to Use the Contractor's Software, (and the Contractor shall use all reasonable endeavours to enable POCL to engage a third party to use Internal Software and Third Party Software) subject to and in accordance with this Codified Agreement on behalf of POCL provided that such third party shall have entered into a confidentiality undertaking in accordance with Clause 607.3.2.
- 506.7 POCL shall be entitled to copy the appropriate Contractor's Software, Internal Code and Third Party Software in order to create as many archival or back-up copies of the same as are necessary. When copying Software POCL shall include the original machine readable copyright notice, and a label affixed to the media identifying the Software and stating: "This medium contains an authorised copy of copyrighted software which is the property of [the Contractor or the Third Party Software Owner]."
- 506.8 The Contractor shall place the Source Code of the Deposited Software in escrow with the NCC on the basis of the appropriate standard agreement or on such other terms as POCL, the Contractor, the Third Party Software Owner (if applicable) and the NCC shall agree. Such escrow agreement shall be entered into within thirty (30) days of 15 May, 1996.
- 506.9 The Contractor hereby grants to POCL a perpetual, royalty-free, irrevocable (subject to Clause 506.12) and non-exclusive licence to Use, reproduce, modify, adapt and enhance (and to authorise a third party to Use, reproduce, modify, adapt and enhance) the Source Code version of the Deposited Software. However, the foregoing licence shall only become effective if POCL becomes entitled to obtain access to the Source Code version of the Deposited Software pursuant to the source code escrow agreement referred to in Clause 506.8 and the licence shall be subject to any restrictions contained herein in respect of the object code version of the Deposited Software.
- 506.10 Subject to any necessary consents (which the Contractor shall use all reasonable endeavours to obtain) any licence or sub-licence granted by the Contractor to POCL hereunder shall be transferable in accordance with the provisions of Clause 604.4.



- 506.11 Subject to any necessary consents (which the Contractor shall use all reasonable endeavours to obtain) any rights to Use granted hereunder to POCL are hereby granted to and are fully exercisable by members of the Post Office Group and End Users.
- 506.12 The Contractor may at any time by notice in writing terminate any licence granted under Clause 506.1, Clause 506.3, Clause 506.4, Clause 506.5, Clause 506.9 or Clause 903.1.2 if POCL is in Default of its obligations under the relevant Clause in relation to such licence and POCL shall fail to remedy such Default within thirty (30) days of written notice to POCL specifying the Default and requiring its remedy, provided that if the Default in question is caused by an Agent, such licence shall only be terminated in relation to Use by such Agent. Upon termination of the relevant licence to POCL, POCL shall cease to use the Software which is the subject matter of such licence and shall either return or destroy all copies of such Software, as directed by the Contractor.

**Clause 507. Risk in Products**

- 507.1 Risk in the Products shall remain with the Contractor unless title in any Products passes to POCL, in which case risk in such Products shall pass to POCL at the same time as title passes.
- 507.2 Notwithstanding the provisions of Clause 507.1, each party shall be liable for any loss of or damage to any Products or part thereof supplied under this Codified Agreement if such loss or damage is occasioned by the negligence or wilful acts or omissions of that party.
- 507.3 The Contractor shall with all possible speed make good any loss or damage affecting the Core System Products and shall notwithstanding such loss or damage proceed with and complete the installation of the POCL Service Infrastructure (where appropriate) and the performance of the POCL Services in accordance with this Codified Agreement. Subject to Clause 507.2, the Contractor shall pay the costs of making good such loss or damage.

**Clause 508. Damage to Plant, Tackle and Tools**

- 508.1 All plant, tackle and tools at the POCL Premises provided by or on behalf of the Contractor shall stand at the risk and be in the sole charge of the Contractor.
- 508.2 The Contractor shall be required to remove all such plant, tackle and tools which it brings to the POCL Premises.
- 508.3 The Contractor shall ensure that all such plant, tackle and tools shall meet minimum safety standards required by law.

**Clause 509. Licences for the Contractor to use Intellectual Property Rights**

- 509.1 POCL hereby grants to the Contractor a non-exclusive licence to use any software included within the POCL Transferred Assets and the Software in which the Intellectual Property Rights vest in POCL for the term of this Codified Agreement solely for the purposes of performing the POCL Services and for no other purposes. The Contractor shall be entitled to copy such software for operational purposes in accordance with the foregoing licence and in order to make back up copies of such software. Upon termination of this Codified Agreement or upon the Contractor ceasing to use such software, the Contractor shall either return or destroy all copies of such software as directed by POCL.
- 509.2 Neither the Contractor nor any sub-contractor, nor any other person, shall have a lien on any Products owned by or leased to POCL for any sum due to the Contractor, sub-contractor or other person, and the Contractor shall take all reasonable steps to ensure that the title of POCL and the exclusion of any such lien are brought to the notice of all sub-contractors and other persons dealing with such Products.

**Clause 510. Databases**

POCL shall have the right to use the POCL Services and the POCL Service Infrastructure to capture, develop and use databases containing information in relation to its customers. Any assistance provided by the Contractor pursuant to this Clause over and above the performance of its other obligations hereunder shall be treated as an Additional POCL Service.

**Clause 511. Riposte 32 Software**

- 511.1 The Contractor shall ensure that, within seven (7) days after 24th May, 1996, a copy of the source code of the Riposte 32 Software is provided to the Contractor's European Development and Service Centre.
- 511.2 The Contractor shall within seven (7) days after such copy of the source code is provided to the Contractor's European Development and Support Centre provide to POCL a certificate signed by the Contractor's Managing Director that this has occurred, and provide to POCL a copy of the relevant contractual documentation confirming the Contractor's right of access to such source code and that the Contractor has all other rights to such source code necessary for the performance of its obligations under this Codified Agreement. For the avoidance of doubt, such supporting documentation shall not include details of the prices paid by the Contractor to its sub-contractors or licensors.

**PART 6 : CONTRACT AND SERVICE MANAGEMENT****Clause 601. Monitoring**

POCL shall be entitled to monitor the performance by the Contractor of its obligations under

this Codified Agreement in accordance with the procedures set out in Schedule A4.

**Clause 602. Management Interfaces and Management Services**

- 602.1 The parties shall establish the management interfaces set out in Schedule A4. All contract management of this Codified Agreement shall be performed in accordance with the provisions of Schedule A4.
- 602.2 In relation to the Automated Payments Service, EPOSS, the POCL Infrastructure Services, the OBCS and the LFS, the POCL Services shall be managed in accordance with the provisions of Schedules E5, F5 G7, H5 and K5 respectively. The Contractor shall provide the Management Services specified in Schedules E5, F5, G7, H5 and K5. The Contingency Services shall be managed in accordance with the provisions of Schedules E9, F9, G11, H9 and K9. The Transfer Services shall be managed in accordance with the provisions of Schedule A7.

**Clause 603. Communications**

- 603.1 Except as otherwise expressly provided no communication from one party to the other shall have any validity under this Codified Agreement unless made in writing by or on behalf of POCL or the Contractor, as the case may be.
- 603.2 Any notice or other communication whatsoever which any party hereto is required or authorised by this Codified Agreement to give or make to another shall be given or made either by post in a prepaid letter, or by facsimile transmission confirmed by post in a prepaid letter, addressed to such other party in the manner referred to in Clause 603.3 below and if that letter is not returned as being undelivered that notice or communication shall be deemed for the purposes of this Codified Agreement to have been given or made after two days, for a letter, or four hours, for facsimile transmission.
- 603.3 For the purposes of Clause 603.2 above the address of each party shall be:

603.3.1 For POCL:

Post Office Counters Ltd.,  
4th Floor,  
20-23 Greville Street,  
London EC1N 8SS.

For the attention of:

Horizon Programme Director

Telephone  
Facsimile

**GRO**

603.3.2 For the Contractor:

ICL Pathway Limited  
Forest Road,  
Feltham,  
Middlesex TW13 7EJ.

For the attention of:  
Managing Director of ICL Pathway Limited.

Telephone **GRO**  
Facsimile

603.4 Any party may change its address for service by notice as provided in this Clause 603.

Clause 604. Transfer and Sub-Contracting

604.1 This Codified Agreement is personal to the Contractor. The Contractor shall not assign, novate, sub-contract or otherwise dispose of this Codified Agreement or any part thereof without the previous written consent of POCL.

604.2 POCL hereby consents to the Contractor having subcontracted its obligations specified in Schedule A8 to the respective sub-contractors specified therein. Additional or substitute sub-contractors may be approved from time to time in accordance with Clause 604.1 after the date hereof, in which case Schedule A8 shall be amended accordingly. Notwithstanding any sub-contracting permitted in this Codified Agreement, the Contractor shall remain primarily responsible for the acts and omissions of its sub-contractors committed by them in the course of performing or purporting to perform any of the POCL Services on the Contractor's behalf as though such acts or omissions were its own.

604.3 [Not used]

604.4 POCL shall be entitled to assign, novate or otherwise dispose of its rights and obligations under this Codified Agreement or any part thereof (including, where appropriate, requiring the grant by the Contractor or its licensors of a direct licence of any Software other than Third Party Software, and requiring the Contractor to use all reasonable endeavours to procure the grant of a direct licence of any Third Party Software) to any other body which performs any of the functions that previously had been performed by POCL, provided that any such assignment, novation or other disposal shall not increase the burden of the Contractor's obligations pursuant to this Codified Agreement.

604.5 POCL shall be entitled to disclose, to the extent necessary for the purposes of this Codified Agreement, to any transferee any Confidential Information of the Contractor which relates to the performance of the POCL Services by the Contractor.

In such circumstances POCL shall authorise the transferee to use such Confidential Information only for purposes relating to the performance of the POCL Services and for no other purposes and, for the avoidance of doubt, the transferee shall be bound by the confidentiality undertaking contained herein in relation to such Confidential Information.

**Clause 605. POCL Responsibilities**

605.1 Subject to the provisions of Clause 607 POCL undertakes to provide at its own cost and expense to the Contractor, all information, services, facilities and responses designated as POCL Responsibilities in Schedules A16, E3, F3, G5, H3 and K3. POCL shall use all reasonable endeavours to perform such POCL Responsibilities in a timely fashion in accordance with any agreed timetable specified in Schedule B9 or elsewhere herein.

605.2 Without limitation to Clause 605.1, POCL shall use all reasonable endeavours to ensure that its Agents co-operate with the Contractor to the extent reasonably necessary to permit the Contractor to perform the POCL Services. In the event that any Agent fails to provide such co-operation, and POCL is unable to secure such co-operation within six (6) months after receiving written notice thereof from the Contractor, the Contractor shall be relieved of liability for any failure or delay to perform the POCL Services which is directly caused by the Agent's failure to provide such co-operation and shall be entitled to any reasonable additional costs and expenses which the Contractor can show were directly incurred by it as a result of the Agent's failure to provide such co-operation.

**Clause 606. Time**

**606.1 Timetable**

606.1.1 The Contractor shall use its reasonable endeavours to perform the POCL Services in accordance with the timetable specified in Schedule B9 and shall achieve Acceptance of the Core System not later than the Final Deadline for CSR Acceptance. In the event of failure to meet any target date in such timetable the Contractor shall provide POCL with a method statement showing how it intends to recover any lost time. For the avoidance of doubt time shall not be of the essence in relation to any date unless notice is served in accordance with Clause 606.4.

606.1.2 Before POCL exercises its option for any Optional POCL Service, and before POCL and the Contractor agree on the supply of any Additional POCL Service, POCL and the Contractor shall agree a timetable for the performance of such POCL Services and such timetable shall be incorporated into this Codified Agreement in accordance with the Change Control Procedure.



## 606.2 Extension of Time

606.2.1 Subject to Clause 606.2.2 and 606.3 below, if Acceptance or Rollout of the Core System is changed or delayed from the agreed procedure and/or timetable:

606.2.1.1 to the extent that such change or delay is caused by the Default of POCL the Contractor will be entitled to a time and cost adjustment to compensate for such change or delay. The Contractor shall notify POCL in writing within three (3) working days of becoming aware of such Default; and

606.2.1.2 to the extent that compensation is not payable by POCL under paragraph 606.2.1.1 or liquidated damages are not payable by the Contractor under Schedule L5, such costs will lie where they fall.

606.2.2 In the event of any such change or delay as is referred to in paragraph 606.2.1 above, for the purpose of determining and resolving to what extent each party is at fault (if at all) and the time and cost adjustment applicable the following procedure will apply:-

606.2.2.1 within seven days of a request by either of them, the Managing Director of POCL (or any equivalent executive) and the Commercial Director of ICL shall meet to resolve these issues. In the event that these issues are not resolved to the satisfaction of both parties in so meeting then;

606.2.2.2 within seven days of a request by either of them, the Chief Executive of the Post Office and the Chief Executive Officer of ICL shall meet to resolve these issues. In the event that these issues are not resolved to the satisfaction of both parties in so meeting then;

606.2.2.3 the Chief Executive of the Post Office and the Chief Executive Officer of ICL shall together decide how any remaining dispute should be resolved, whether by reference to binding expert determination, mediation, arbitration, or such other means as agreed upon by both parties.

606.2.3 If the performance of this Codified Agreement by either party be delayed by reason of any force majeure event (as defined in Clause 606.3), both parties shall be entitled to a reasonable extension of time subject to there being no entitlement to any additional costs or expenses incurred as a

result of the delay. The party so delayed shall notify the other party in writing within one (1) working day of becoming aware of the force majeure event.

### 606.3 Force Majeure

606.3.1 For the purposes of this Codified Agreement the expression "Force Majeure" shall mean any cause affecting the performance by a party hereto of its obligations arising from acts, events, omissions, happenings or non-happenings beyond its reasonable control including (but without limiting the generality thereof) (i) Governmental Regulations (subject to Clause 606.5), (ii) fire, (iii) flood, or (iv) any disaster or an industrial dispute affecting a third party. Any act, event, omission, happening or non-happening will only be considered Force Majeure if it is not attributable to the wilful act, neglect or failure to take reasonable precautions of the affected party, its agents or employees, and only if a substitute third party is not reasonably available (having regard, without limitation, to the cost and quality of such substitute) to perform the affected obligation. In no event shall any fraudulent act or omission by any third party or party in relation to the POCL Services for which the Contractor is liable under Clause 809.1 constitute a force majeure event.

606.3.2 Neither party hereto shall in any circumstances be liable to the other party hereto for any loss of any kind whatsoever including but not limited to any damages or abatement of Charges whether directly or indirectly caused to or incurred by the other party by reason of any failure or delay in the performance of its obligations under this Codified Agreement which is due to Force Majeure. Notwithstanding the foregoing, each party shall use all reasonable endeavours to continue to perform, or resume performance of, such obligations under this Codified Agreement for the duration of such Force Majeure event. In the case of the Contractor, the parties shall agree an orderly process for such continuation or resumption of performance (such consent not to be unreasonably withheld or delayed), and the Contractor shall comply with such process. The Contractor shall remain liable to perform the POCL Contingency Services, save where such POCL Contingency Services are themselves also affected by Force Majeure, in which case the Contractor shall be required to use all reasonable endeavours to perform such POCL Contingency Services.

606.3.3 If the Contractor shall become aware of circumstances of Force Majeure which give rise to or which are likely to give rise to any such failure or delay on its part it shall forthwith notify POCL within one (1) working day and shall inform POCL of the period which it is estimated that such failure or delay shall continue. If POCL shall become aware of circumstances of Force Majeure which give rise to any such failure or delay on its part, it shall forthwith notify the Contractor within one (1) working day and shall

inform the Contractor of the period which it is estimated that such failure or delay shall continue.

606.3.4 It is expressly agreed that any failure by the Contractor to perform, or any delay by the Contractor in performing, its obligations under this Codified Agreement which results from any failure or delay in the performance of its obligations by any person, firm or company with which the Contractor shall have entered into any contract, supply arrangement or sub-contract or otherwise shall be regarded as a failure or delay due to Force Majeure only in the event that such person firm or company shall itself be prevented from or delayed in complying with its obligations under such contract, supply arrangement or sub-contract or otherwise as a result of circumstances of Force Majeure and there is no substitute person, firm or company reasonably available (having regard, without limitation, to the cost and quality of such substitute) to perform the affected obligation.

606.3.5 [Not used]

606.3.6 If any Force Majeure event prevents any party from performing its obligations hereunder for a period in excess of ninety (90) consecutive days, POCL may after consulting with the Contractor and taking into account the Contractor's views, terminate this Codified Agreement in accordance with Clause 902.1.5.

#### 606.4 Time of the Essence

Where POCL after undue delay by the Contractor notifies the Contractor that time is of the essence of this Codified Agreement and any of its obligations stated in such notice shall not have been performed by the Contractor by any reasonable date stated in the notice, POCL may terminate this Codified Agreement in accordance with Clause 902.2.3. In relation to the timescales specified herein, POCL may only give notice making time of the essence in relation to the Final Deadline for CSR Acceptance.

#### 606.5 Political Risk

Notwithstanding the provisions of Clause 606.3, a change of, or new, Governmental Regulation:

606.5.1 shall not entitle POCL to terminate this Codified Agreement under Clause 606.3.6, and any such purported termination shall be treated as a termination for convenience in accordance with Clause 902.6; and

606.5.2 shall not require the Contractor to perform any additional obligations, or any reduced or modified obligations resulting in increased cost to the Contractor, without its agreement in accordance with the Change Control Procedure.



**Clause 607. Confidentiality**

- 607.1 Without prejudice to the application of the Official Secrets Acts 1911 to 1989 (where relevant) to any Confidential Information the Contractor acknowledges that any Confidential Information (other than its own Confidential Information) obtained from or relating to POCL, or its servants or agents, is the property of POCL.
- 607.2 Each party agrees to keep confidential, and not to disclose to anyone else, Confidential Information.

Notwithstanding the above, any party may disclose Confidential Information

- 607.2.1 if and to the extent required by law;
- 607.2.2 if and to the extent that the other parties have given prior written consent to the disclosure;
- 607.2.3 to its professional advisers;
- 607.2.4 to the extent requested by H.M. Government;
- 607.2.5 if and to the extent that the Confidential Information is in the public domain or falls into the public domain without breach of any applicable confidentiality obligation (including this clause);
- 607.2.6 to the Post Office;
- 607.2.7 to Fujitsu;
- 607.2.8 to the Contractor's approved sub contractors as listed in Schedule A8;
- 607.2.9 potential arrangers of funding for the investment required in connection with this Codified Agreement;
- 607.2.10 if and to the extent reasonably necessary to be disclosed for the purpose of arranging and maintaining funding generally for ICL plc or the Contractor;
- 607.2.11 which is in the possession of the receiving party without restriction in relation to disclosure before the date of receipt from the disclosing party;
- 607.2.12 which is received from a third party who lawfully acquired it and who is under no obligation restricting its disclosure; or

- 607.2.13 which is independently developed without access to the Confidential Information.
- 607.3 The Contractor hereby agrees that (other than as required by law):
- 607.3.1 the Contractor (and any person employed or engaged by the Contractor in connection with this Codified Agreement in the course of such employment or engagement) shall only use Confidential Information of POCL for the purposes of this Codified Agreement;
  - 607.3.2 the Contractor shall take all necessary precautions to ensure that no Confidential Information of POCL is used other than for the purposes of this Codified Agreement by the Contractor's employees, servants, agents or sub-contractors including, without limitation, obtaining from any such agent or sub-contractor a signed confidentiality undertaking on substantially the same terms as are contained in this Clause; and
  - 607.3.3 without prejudice to the generality of the foregoing neither the Contractor nor any person engaged by the Contractor whether as a servant or a consultant or otherwise shall use the Confidential Information of POCL for the solicitation of business from POCL or from any third party by the Contractor or by such servant or consultant or by any third party.
- 607.4 POCL (other than as required by law) shall treat as confidential all Confidential Information, obtained from the Contractor, including but not limited to the Source Code of the Specially Written Software (other than Specially Written Software in which ownership of the Intellectual Property Rights vests in POCL pursuant to Clause 502).
- 607.5 In the event that Confidential Information is disclosed by any party to its professional advisers, that party shall procure that its professional advisers comply with the restrictions contained in this Clause, mutatis mutandis.
- 607.6 Nothing in this Clause 607 shall prevent the Contractor or POCL from using data-processing techniques, ideas and know-how gained during the performance of this Codified Agreement in the furtherance of its normal business, to the extent that this does not relate to a disclosure of Confidential Information or an infringement by POCL or the Contractor of any Intellectual Property Right.

**Clause 608. Health and Safety Hazards**

- 608.1 The Contractor shall notify POCL of any health and safety hazards in relation to POCL Premises owned by or leased to POCL which may arise in connection with the performance of this Codified Agreement.
- 608.2 POCL shall notify the Contractor of any known health and safety hazards which may exist or arise at the POCL Premises owned by or leased to POCL and which may

affect the Contractor. The Contractor shall draw these hazards to the attention of its employees and sub-contractors or any persons engaged by the Contractor in the performance of this Codified Agreement at such POCL Premises.

- 608.3 The Contractor shall inform all persons engaged in the performance of this Codified Agreement at the POCL Premises owned by or leased to POCL of all such hazards and shall instruct such persons in connection with any necessary associated safety measures.

**Clause 609. Protection of Personal Data**

- 609.1 The Contractor's attention is hereby drawn to the Data Protection Act 1984.
- 609.2 Both parties warrant that they will duly observe all their obligations under the Data Protection Act which arise in connection with this Codified Agreement.

**Clause 610. Publicity**

- 610.1 No public announcement or public circular (including a media release) relating to the subject matter of this Codified Agreement will be made unless it has first been agreed between the parties in writing. This restriction shall not apply to any announcement intended solely for internal distribution by the party in question or any disclosure required by any legal, accounting or regulatory requirement.
- 610.2 Each party shall take all reasonable steps to ensure the observance of the provisions of Clause 610.1 by all its servants, employees, agents, consultants and sub-contractors.
- 610.3 The Contractor shall have no right to use the brand or logo of any Post Office Group member without POCL's prior written consent. The Contractor shall have no right to use the brand or logo of any part of POCL without POCL's prior written consent. The Contractor shall do nothing to injure such logos and brands or the reputation of POCL and, if it uses such brands or logos, it shall take all reasonable steps to enable POCL to protect such logos and brands and the reputation of POCL but in no event less than the steps it would take in relation to its own logos, brands and reputation.
- 610.4 POCL shall have no right to use the brands or logo of the Contractor or its sub-contractors without the Contractor's prior written consent. POCL shall do nothing to injure such logo and brands or the reputation of the Contractor or its sub-contractors and, if it uses such brands or logos, it shall take all reasonable steps to enable the Contractor and its sub-contractors to protect such logo and brands and the reputation of the Contractor and its sub-contractors, but in no event less than the steps it would take in relation to its own logos, brands and reputation.

**Clause 611. Contractor's Personnel**

- 611.1 POCL reserves the right under this Codified Agreement to refuse to admit to any

premises occupied by or on behalf of any member of the Post Office Group (which expression shall in this Clause 611 include all persons employed or engaged by the Post Office Group and all persons other than the Contractor and its sub-contractors providing services to the Post Office Group), or to any post office any person employed or engaged by the Contractor, or by a sub-contractor, whose admission would be, in the reasonable opinion of POCL undesirable.

- 611.2 If and when directed by POCL, the Contractor shall provide a list of the names and addresses of all persons who it is expected may require admission in connection with the performance of this Codified Agreement to any premises occupied by or on behalf any member of the Post Office Group or to any post office, specifying the capacities in which they are concerned with this Codified Agreement and giving such other particulars as POCL may reasonably require. The Contractor shall comply with any reasonable directions issued by the designated representative of POCL as to which persons may be admitted to such premises and at what times.
- 611.3 If and when directed by POCL, the Contractor shall secure that any person employed or engaged by the Contractor or by a sub-contractor, who is specified in the direction or is one of a class of persons who may be so specified, shall sign a statement that he understands that the Official Secrets Acts 1911 to 1989 apply to him both during the term of and after the expiry or termination of this Codified Agreement.
- 611.4 The Contractor's representatives, engaged within the boundaries of a Post Office Group establishment or post office, shall comply with such rules, regulations and requirements (including those relating to security arrangements) as may be in force from time to time for the conduct of personnel when at that establishment or post office and when outside that establishment or post office.
- 611.5 The decision of POCL as to whether any person is to be refused admission to any premises occupied by or on behalf of the Post Office Group or to a post office shall be final and conclusive.

**Clause 612. Waiver**

No forbearance or delay by any party in enforcing its rights will prejudice or restrict the rights of that party, subject to the express timescales set out herein, and no waiver of any such rights or of any breach of any contractual term will be deemed to be a waiver of any other right or of any later breach.

**Clause 613. Access to POCL Premises**

- 613.1 Any land or POCL Premises (including temporary buildings) made available to the Contractor by POCL in connection with this Codified Agreement shall be made available to the Contractor on such terms and conditions as may be agreed between the Contractor and POCL. The Contractor shall have the use of such land or POCL Premises as licensee and shall vacate the same upon the termination or expiry of

this Codified Agreement or at such earlier date as POCL may reasonably determine.

- 613.2 POCL shall be responsible for maintaining the security of such land or POCL Premises in accordance with its standard security requirements. The Contractor shall comply with all reasonable security requirements of POCL while on the POCL Premises, and shall procure that all of its employees, agents and subcontractors shall likewise comply with such requirements. POCL shall provide the Contractor upon request copies of its written security procedures and shall afford the Contractor upon request with an opportunity to inspect its physical security arrangements.

**Clause 614. Security Requirements**

The Contractor shall comply with the security requirements as set out in Schedule A2.

**Clause 615. Contractor's Key Personnel**

The parties acknowledge that the Contractor's key personnel specified in Schedule A14 are essential to the fulfilment of its obligations hereunder. The Contractor undertakes to use all reasonable endeavours to ensure that such key personnel are not removed or replaced during the term hereof. However, in the event that any of its key personnel becomes unavailable for any reason (including without limitation death, injury, sickness, promotion or resignation), the Contractor shall have the right upon giving thirty (30) days' notice in writing (or such shorter period of notice as may be reasonably practicable) to POCL to replace such an individual with another individual whose abilities and qualifications are appropriate for the services to be performed by such individual.

**PART 7 : WARRANTIES AND STANDARDS**

**Clause 701. Authority and Approval**

The Contractor warrants and represents that it has full capacity and authority and all necessary consents (including but not limited to, where its procedures so require, the consent of its Parent Company) to enter into and to perform this Codified Agreement and that this Codified Agreement is executed by a duly authorised representative of the Contractor.

**Clause 702. Performance of POCL Services**

The Contractor warrants and represents that:

- 702.1 the POCL Services shall be supplied and rendered by appropriately experienced, qualified and trained personnel with all due skill, care and diligence;
- 702.2 the Contractor shall discharge its obligations under this Codified Agreement with all due skill, care and diligence including but not limited to good industry practice and



(without limiting the generality of this Clause) in accordance with the best of its own established internal procedures;

- 702.3 the POCL Services shall be performed in compliance with all applicable laws, enactments, orders, regulations, and other similar instruments;
- 702.4 the POCL Services shall be performed in accordance with all applicable service levels in this Codified Agreement;
- 702.5 the POCL Services shall be fully integrated within the POCL Service Architecture and the POCL Service Infrastructure;
- 702.6 the POCL Services shall be performed in accordance with all applicable provisions of the Service Architecture Design Document;
- 702.7 the POCL Services shall be compatible with the POCL Service Environment as at the date hereof, as set out in Schedule 1;
- 702.8 the POCL Services shall be performed in such a way as to cause a minimum of disruption to the business of POCL and the End Users.

**Clause 703. Performance of Products**

The Contractor warrants and represents that:

- 703.1 At the Operational Trial Acceptance Date, the Operational Trial System shall meet the Operational Trial Criteria and the regulations and standards specified in Schedule A2;
- 703.2 During the term of this Codified Agreement all components of the POCL Service Infrastructure shall operate in accordance with their respective specifications, except that, for the avoidance of doubt, it is agreed that POCL shall have no remedy for breach of this warranty in relation to errors or interruptions to POCL Services covered by paragraph 4.1(a) and 4.3 of Schedule A6;
- 703.3 POCL shall acquire title to the Products in which it is to acquire title under Clauses 501, 502 and 503 free from all encumbrances and POCL shall have the right to quiet possession of such Products supplied hereunder;
- 703.4 the Core System Products will be compatible with the POCL Service Environment as at the date hereof, as specified in Schedule 1;
- 703.5 all Optional and Additional Products and POCL Consumables shall be compatible with the POCL Service Infrastructure and the POCL Service Environment.

**Clause 704. Intellectual Property Rights**

The Contractor warrants and represents that:

- 704.1 POCL's use and operation of the Products and the POCL Service Architecture and the provision of the POCL Services shall not infringe any Intellectual Property Rights of any third party;
- 704.2 the Contractor has the full capacity and authority to grant the licences referred to in Clause 506;
- 704.3 it can comply with Clauses 903.1.3 and 903.1.4.

**Clause 705. Technical Standards**

The Contractor warrants and represents that:

- 705.1 the POCL Services shall comply with, and be provided in accordance with, the policies and standards specified in Schedule A2 and all components and equipment used in the course of the provision of the POCL Services shall operate in accordance with their technical specifications;
- 705.2 the provision of the POCL Services shall not cause electrical interference beyond the limits laid down in the relevant standard specified in Schedule A2, provided that for the purpose of this Clause 705.2 the POCL Services shall be deemed to include the operation of any testing and monitoring instruments used in connection with the provision of the POCL Services.

**Clause 706. Statements and Representations**

The Contractor warrants and represents that all statements and representations made to POCL in connection with tendering for and entering into the POCL Agreement and the Authorities Agreement were, to the best of its knowledge, information and belief, true and accurate at the time of making such statements and representations and that, from the date of execution hereof, it will advise POCL of any fact, matter or circumstance of which it may become aware which would render any such statement or representation to be false or misleading.

**Clause 707. Disclaimer of Implied Terms**

Except as expressly stated in this Codified Agreement, all terms, warranties and conditions, whether express or implied by statute, common law or otherwise (including but not limited to satisfactory quality and fitness for purpose) are hereby excluded to the extent permitted by law.



**PART 8 : REMEDIES****Clause 801. Audit**

- 801.1 The Contractor shall keep or cause to be kept the Records.
- 801.2 The Contractor shall grant or procure the grant to POCL, any statutory or regulatory auditors of POCL and their respective authorised agents the right of reasonable access to the Records and shall provide all reasonable assistance at all times for six (6) years after the creation of the relevant Records for the purposes of carrying out an audit of the Contractor's compliance with this Codified Agreement including all activities, Charges, performance, security and integrity in connection therewith. Each party shall bear its own expenses incurred pursuant to this Clause. On termination, the Contractor shall within a reasonable time to be agreed by the parties, transfer the Records to POCL or a replacement contractor, as instructed by POCL. The Contractor shall thereafter be released from any further liabilities under this Clause in relation to such Records.
- 801.3 Without prejudice to the foregoing, in the event of an investigation into suspected fraudulent activity or other impropriety by the Contractor or any third party POCL reserves for itself, any statutory or regulatory auditors of POCL and their respective authorised agents the right of immediate access to the Records described in Clause 801.1 and Clause 801.2 above and the Contractor agrees to render all necessary assistance to the conduct of such investigation at all times during the currency of this Codified Agreement or at any time thereafter.
- 801.4 The Contractor shall provide POCL at no additional cost with copies of the annual and interim audited accounts of the Contractor and its approved subcontractors within fourteen (14) days of such accounts having been lodged at Companies House or its local equivalent to Companies House.
- 801.5 All information obtained by POCL pursuant to this Clause and Schedule A3 shall be treated as Confidential Information.
- 801.6 The parties shall comply with the provisions of Schedule A3.

**Clause 802. Service Credits and Delay**

- 802.1 It is acknowledged that liquidated damages shall be payable by the Contractor to POCL under Schedule L5 in the circumstances referred to in paragraph 3.3 of Schedule A11.
- 802.2 In the event that the POCL Services fail to meet the Service Levels contained in Schedules E8, F8, G10, H8 or K8, the Contractor shall, without prejudice to any other rights and remedies of POCL at the option of POCL either (i) as an adjustment to the Charges, credit POCL with Service Credits calculated in accordance with Schedules B10, E8, F8, G10, H8 and K8 as appropriate, or (ii) pay POCL liquidated

damages calculated in accordance with Schedules B10, E8, F8, G10, H8 and K8 as appropriate. Unless POCL exercises its option to recover liquidated damages as a payment to it, POCL shall be deemed to have exercised its option to recover Service Credits as credit to it. Any such reductions shall be applied in accordance with paragraph 6 of Schedule A10.

- 802.3 The Contractor shall credit POCL with the Service Credits or pay POCL the liquidated damages as referred to in Clauses 802.1 or 802.2 within thirty (30) days of receipt of a valid claim by POCL.
- 802.4 The parties acknowledge that the liquidated damages and Service Credits specified in the relevant Schedules referred to in this Clause are a genuine pre-estimate of the loss likely to be suffered by POCL and that the figures therein are reasonable.
- 802.5 The liquidated damages and Service Credits specified in this Clause are without prejudice to any other rights and remedies of POCL, except where they are specified in Schedule A6 to be POCL's exclusive remedy in damages, in which case such credit or payment of the relevant liquidated damages or Service Credits shall be in full and final settlement of the Contractor's liability in respect of the Default to which they relate. Except in accordance with Schedule A6, POCL shall have no right of termination in relation to any such Default as is referred to in clause 802.2 above.

**Clause 803. Additional Resources**

In the event that the POCL Services are not provided in accordance with all applicable provisions hereof as a result of the Default of the Contractor, the Contractor shall, at the request of POCL and without prejudice to POCL's other rights and remedies, arrange all such additional resources as are reasonably necessary to correct the said failure as early as practicable thereafter and at no additional charge to POCL.

**Clause 804. Recovery of Sums Due**

If any sum of money shall be due from the Contractor under this Codified Agreement, the same may be deducted from any sum then due or which at any time thereafter may become due to the Contractor under this Codified Agreement. There shall be no other right of set-off or deduction in respect of sums due to the Contractor under this Codified Agreement.

**Clause 805. Intellectual Property Rights Indemnity**

- 805.1 Subject always to POCL's proper observance of its obligations under this Clause, the Contractor shall indemnify POCL against all claims, demands, actions, costs, expenses (including but not limited to legal costs and disbursements on a solicitor and client basis), losses and damages arising from or incurred by reason of any infringement or alleged infringement (including but not limited to the defence of such alleged infringement) in the United Kingdom of any Intellectual Property Right by the use or possession of the Products or POCL Services by or on behalf of POCL or in connection with the POCL Services.

- 805.2 The Contractor shall promptly notify POCL if any claim or demand is made or action brought against the Contractor to which this Clause applies.
- 805.3 POCL shall promptly notify the Contractor if any claim or demand is made or action brought against POCL to which Clause 805.1 may apply. The Contractor shall at its own expense conduct any litigation arising therefrom and all negotiations in connection therewith and POCL hereby agrees to grant to the Contractor exclusive control of any such litigation and such negotiations. The Contractor shall consult with and pay due regard to the interests (including the commercial interests of the Post Office Group and the public interest) and views of POCL in the conduct of any defence to any claim or demand hereunder, and shall, where it is reasonable to do so, comply with such interests and views.
- 805.4 POCL shall at the request of the Contractor afford to the Contractor all reasonable assistance for the purpose of contesting any claim or demand made or action brought against POCL to which Clause 805.1 may apply or any claim or demand made or action brought against the Contractor to which Clause 805.2 may apply. The Contractor shall reimburse POCL for all costs and expenses (including but not limited to legal costs and disbursements on a solicitor and client basis) incurred in so doing.
- 805.5 POCL shall not make any admissions which may be prejudicial to the defence or settlement of any claim, demand or action for infringement or alleged infringement of any Intellectual Property Right to which Clause 805.1 may apply or any claim or demand made or action brought against the Contractor to which Clause 805.2 may apply.
- 805.6 If a claim or demand is made or action brought to which Clause 805.1 may apply or in the reasonable opinion of the Contractor is likely to be made or brought, the Contractor may at its own expense either:
- 805.6.1 modify any or all of the Products or the POCL Services without reducing the performance and functionality of the same, or substitute alternative products or services of equivalent performance and functionality for any or all of the Products or the POCL Services, so as to avoid the infringement or the alleged infringement but without disrupting the performance of the POCL Services, provided that the terms herein shall apply mutatis mutandis to such modified or substituted items or services and such modified or substituted items shall be acceptable to POCL (whether by passing any form of acceptance testing or otherwise), such acceptance not to be unreasonably withheld or delayed, and shall reimburse POCL all reasonable costs directly incurred by them; or
  - 805.6.2 procure a licence to use the Products and POCL Services on terms which afford to POCL no more extensive rights than those originally applicable hereunder and which are acceptable to POCL and shall reimburse POCL all reasonable costs directly incurred by it.

805.7 The foregoing provisions of this Clause 805 shall not apply insofar as any such claim or demand or action is in respect of:

805.7.1 any use by or on behalf of POCL of the Products or POCL Services in combination with any item not supplied or approved (such approval not to be unreasonably withheld or delayed) by the Contractor where such use of the Products or POCL Services directly gives rise to the claim, demand or action; or

805.7.2 any modification carried out by or on behalf of POCL to any item supplied by the Contractor under this Codified Agreement if such modification is not authorised by the Contractor in writing; or

805.7.3 any use by POCL of the Products or POCL Services in a manner not reasonably to be inferred from the specification or requirements of POCL.

805.8 If the Contractor has availed itself of its rights to modify the Products or the POCL Services or to supply substitute products or services pursuant to Clause 805.6.1 (or POCL has unreasonably withheld its acceptance of such substitute products or services) or to procure a licence under Clause 805.6.2 and such exercise of the said rights has avoided any claim, demand or action for infringement or alleged infringement, or if POCL has unreasonably withheld its acceptance of any items modified or substituted by the Contractor in accordance with Clause 805.6, then the Contractor shall have no further liability thereafter under this Clause 805 in respect of the said claim, demand or action.

805.9 If a modification or substitution in accordance with Clause 805.6.1 above is not possible so as to avoid the infringement and the Contractor has been unable to procure a licence in accordance with Clause 805.6.2, Clause 805.1 shall apply.

805.10 POCL hereby warrants and represents that any instructions given in relation to the Contractor's use of any third party item supplied directly or indirectly by POCL shall not cause the Contractor to infringe any third party's Intellectual Property Rights in such item. POCL shall, to the extent reasonably possible, assign to the Contractor any indemnity in its favour in relation to the Intellectual Property Rights in such third party items.

805.11 The foregoing states the entire liability of the Contractor with regard to the infringement of any Intellectual Property Right by the use or possession of the Products by or on behalf of POCL or in connection with the receipt of the POCL Services.

#### **Clause 806. Remedies Cumulative**

Except as otherwise expressly provided in this Codified Agreement, all remedies available to the Contractor or to POCL for breach of this Codified Agreement are cumulative and may be exercised concurrently or separately and the exercise of any one remedy shall not be deemed



an election of such remedy to the exclusion of other remedies.

**Clause 807. Dispute Resolution Procedure**

Except to the extent that paragraph 6 of Schedule A11 requires otherwise, in the event of any disagreement concerning the terms of, or arising under, this Codified Agreement, the parties shall negotiate in good faith to reach an amicable resolution of the matter in question, but in default of resolution within a reasonable period either party may apply to the Courts of England & Wales for the matter to be resolved in accordance with English law.

**Clause 808. Injury to Persons; Loss of Property**

- 808.1 Subject always to POCL's proper observance of its obligations under this Clause, the Contractor shall fully indemnify POCL in respect of any personal injury or loss of or damage to Property incurred by POCL or its respective employees and authorised agents to the extent that such personal injury or loss of Property is caused by any Default of the Contractor, its employees or agents in connection with the performance or purported performance of this Codified Agreement.
- 808.2 In the event of any claim or demand being made or action brought to which Clause 808.1 applies, the Contractor shall be promptly notified thereof and the Contractor shall at its own expense conduct all negotiations for settlement of the same and any legal proceedings that may arise therefrom. The Contractor shall consult with and pay due regard to the interests (including the commercial interests of the Post Office Group and the public interest) and views of POCL in the conduct of any defence to any claim or demand hereunder, and shall, where it is reasonable to do so, comply with such interests and views. POCL, its employees and agents, shall at the request of the Contractor afford all reasonable assistance for the purpose of contesting any such claim or demand or action and shall be repaid any reasonable expense incurred in so doing and shall not make any admissions which may be prejudicial to the defence of such claim or demand or action.

**Clause 809. Liability**

- 809.1 The Contractor shall be liable for all losses and shall indemnify POCL against all costs, expenses, losses and damages incurred (including any legal costs) as a result of:
- (a) any unauthorised third party access to the POCL Service Architecture;
  - (b) any "hacking" into the systems used by the Contractor to provide the POCL Services (whether or not constituting an offence under the Computer Misuse Act 1990); or
  - (c) any other form of fraud (in relation to any of the POCL Services).

- 809.2 Clause 809.1 shall not apply if and to the extent that any of the matters referred to therein have been caused by POCL's non-performance of any obligation under this Codified Agreement upon the performance of which the Contractor's obligations under this Codified Agreement in respect of risk for fraud are expressed to depend. The foregoing is in place of the general rule stated in Clause 101.3.
- 809.3 In any case where POCL incurs any costs, expenses, losses or damages as referred to in Clause 809.1, Clause 809.1 shall be presumed to apply unless the Contractor proves that Clause 809.2 applies.

**Clause 810. Limitation of Liability**

- 810.1 Neither party hereto excludes or limits its liability to any other party for death or personal injury or any breach of any obligations implied by Section 12 of the Sale of Goods Act 1979 or Section 2 of the Supply of Goods and Services Act 1982.
- 810.2 Subject always to Clause 810.1, the liability of each party for Defaults shall be subject to the financial limits set out in this Clause 810.2.
- 810.2.1 The aggregate liability for all Defaults resulting in direct loss of or damage to the Property of any other party under this Codified Agreement shall in no event exceed:
- |           |   |
|-----------|---|
| 810.2.1.1 | nine million pounds (£9,000,000), in the case of POCL;<br>and   |
| 810.2.1.2 | ten million pounds (£10,000,000) per Year in relation to<br>such Defaults arising during that Year, in the case of the<br>Contractor. |
- 810.2.2 The aggregate liability per Year under this Codified Agreement of POCL for all Defaults (other than a Default governed by Clause 810.2.1) arising during that Year shall in no event exceed four million five hundred thousand pounds (£4,500,000).
- 810.2.3 The aggregate liability under this Codified Agreement of the Contractor for all Defaults (other than a Default governed by Clause 810.2.1) shall in no event exceed two hundred million pounds (£200,000,000).
- 810.2.4 Subject to Clause 810.2.5, the financial limits specified in Clause 810.2 apply to all claims for monetary relief which either party may have against the other either under this Codified Agreement or otherwise in relation to the subject matter of this Codified Agreement, including all claims for liquidated damages and Service Credits pursuant Clause 802, all claims to be indemnified pursuant to Clauses 805 or 808 and all other claims or costs which are compensatable in money or money's worth.

- 810.2.5 The financial limits applicable to POCL under Clause 810.2 shall be exclusive of and additional to any liability of POCL to pay any Charges (including any adjustment pursuant to Clause 606.2.1.1), the Transfer Payment or any Termination Charges which may become properly due and payable to the Contractor in accordance with the provisions hereof or any sum by way of interest thereon that a court may award.
- 810.3 Subject always to Clause 810.1, in no event shall any party be liable to any other party for indirect or consequential loss or damage. For the avoidance of doubt, this Clause shall not be deemed or construed to affect the Contractor's liability under Clause 809.
- 810.4 The provisions of Clause 810.3 shall not be taken as limiting the right of POCL to claim from the Contractor for:
- 810.4.1 additional operational and administrative costs and expenses; and/or
- 810.4.2 expenditure or charges rendered unnecessary as a result of any Default by the Contractor.
- 810.5 The parties expressly agree that should any limitation or provision contained in this Clause be held to be invalid under any applicable statute or rule of law it shall to that extent be deemed omitted but if any party thereby becomes liable for loss or damage which would otherwise have been excluded such liability shall be subject to the other limitations and provisions set out herein.
- 810.6 For the avoidance of doubt, it is acknowledged that nothing in this Codified Agreement shall be deemed or construed to relieve either party of its common law duty to the other party against which a claim may be made to mitigate any loss which is the subject of such claim. In applying the Contractor's common law and contractual obligations to mitigate (whether for the purpose of calculating the Termination Payment or otherwise) no regard shall be paid to the manner in which the Roll Out Payment is stated to be apportioned in the definition of the term "Roll Out Payment".
- 810.7 POCL and the Contractor shall use all reasonable endeavours to resolve outstanding agreements to agree by 20th December, 1999.
- 810.8 The Contractor shall not be liable for any failure or delay in performing any of its obligations under this Codified Agreement where such failure or delay is the direct consequence of a failure by POCL and the Contractor to resolve any outstanding agreements to agree for so long as such failure to resolve continues.
- 810.9 For the avoidance of doubt, the parties agree that POCL shall not be liable to indemnify or otherwise compensate the Contractor for any additional costs, expenses, losses or damages incurred directly or indirectly as a result of the failure by the Contractor and POCL to resolve any outstanding agreements to agree.



## 810.10 The parties acknowledge that:-

- 810.10.1 those CCNs listed in Part 1 of Schedule A17 have been agreed, shall be deemed to have been raised in relation to this Codified Agreement and shall be incorporated in this Codified Agreement as soon as reasonably practicable following its execution;
  - 810.10.2 all CCN's agreed after 9 July, 1999 shall be deemed to be listed in Part 1 of Schedule A17;
  - 810.10.3 those CCNs and Change Requests listed in Part 2 of Schedule A17 have not yet been agreed but shall be deemed to have been raised in relation to the corresponding provisions of this Codified Agreement and shall, if and to the extent agreed, be incorporated into this Codified Agreement in due course;
  - 810.10.4 all CCN's and Change Requests formally submitted after 1 July, 1999 shall be deemed to be listed in Part 2 of Schedule A17; and
  - 810.10.5 those CCNs and Change Requests formally submitted on or prior to 1 July, 1999 and not listed in Schedule A17 are not relevant to this Codified Agreement and shall forthwith cease to have effect.
- 810.11 The parties shall identify and prioritise any outstanding CCN's and/or approve new CCNs, all as required to cover outstanding agreements to agree and other matters, in each case relevant to the Core System Release.
- 810.12 The parties shall use all reasonable endeavours to achieve approval of those CCNs referred to in Clause 810.10.3 above which are relevant to the Core System Release so as not to delay CSR Acceptance.
- 810.13 Notwithstanding any provision in this Codified Agreement, if, in connection with the performance by POCL of its responsibilities in relation to in-office data migration as referred to in the Migration Specification, there shall be a breach of the integrity of, or the introduction of any viruses into, any system or disk through use by POCL of a laptop computer supplied by the Contractor for use in in-office data migration then the consequences of such breach or introduction of viruses shall be as follows:-
- 810.13.1 POCL shall not be liable to the Contractor therefor and such breach or introduction of viruses shall not be a Default for the purposes of this Codified Agreement;
  - 810.13.2 the Contractor shall accordingly not be entitled to any time or cost adjustment pursuant to Clause 606.2.1.1; and

- 810.13.3 the Contractor shall not be liable for liquidated damages and this Codified Agreement shall not be liable to termination, in each case as a result of any delay or reduction in Service Levels, caused by such breach or introduction of viruses, which could not reasonably be avoided or mitigated by the Contractor.

## PART 9 : TERM AND TERMINATION

### Clause 901. Term

The term of this Codified Agreement shall, unless terminated earlier in accordance with the provisions of Clause 902, be for a period commencing on the date hereof and ending on 31st March, 2005.

### Clause 902. Termination of Codified Agreement

- 902.1 POCL may at any time by notice in writing terminate this Codified Agreement with effect from the date of service of such notice or such later date as may be specified therein if:

902.1.1 there is a change of control, as defined by Section 416 of the Income and Corporation Taxes Act 1988, in the Contractor or the Guarantor; or

902.1.2 the Contractor or the Guarantor, being an individual, or where the Contractor or the Guarantor is a firm, any partner or partners in that firm who together are able to exercise direct or indirect control, as defined by Section 416 of the Income and Corporation Taxes Act 1988, shall at any time become bankrupt or shall have a receiving order or administration order made against him or shall make any composition or arrangement with or for the benefit of his creditors, or shall make any conveyance or assignment for the benefit of his creditors, or shall purport to do so, or appears unable to pay or to have no reasonable prospect of being able to pay a debt within the meaning of Section 268 of the Insolvency Act 1986 or he shall become apparently insolvent within the meaning of the Bankruptcy (Scotland) Act 1985 as amended by the Bankruptcy (Scotland) Act 1993 or any application shall be made under any bankruptcy or insolvency act for the time being in force for sequestration of his estate, or a trust deed shall be granted by him for behoof of his creditors; or any similar event occurs under the law of any other jurisdiction; or

902.1.3 the Contractor, being a company, passes a resolution, or the Court makes an order that the Contractor or the Guarantor be wound up otherwise than for the purpose of a bona fide reconstruction or amalgamation, or a receiver, manager or administrator on behalf of a creditor is appointed in respect of the business or any part thereof (which for the avoidance of doubt shall not include any subsidiary company of the Contractor or of the Guarantor) of the Contractor or the Guarantor, or circumstances arise

which entitle the Court or a creditor to appoint a receiver, manager or administrator or which entitle the Court otherwise than for the purpose of a bona fide reconstruction or amalgamation to make a winding-up order, or the Contractor or the Guarantor is unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986 or any similar event occurs under the law of any other jurisdiction; or

902.1.4 any provision hereof other than Clause 902 expressly entitles POCL to terminate this Codified Agreement; or

902.1.5 the circumstances in Clause 606.3.6 arise and either the obligation in question is not capable of being performed again, or, if it is so capable, is not so performed again within thirty (30) days of written notice to the Contractor specifying the obligation in question and requiring it to be performed or within such other period as may be requested by the Contractor and agreed by POCL, such agreement not to be unreasonably withheld or delayed; or

902.2 POCL may at any time by notice in writing terminate this Codified Agreement with effect from the date of service of such notice or such later date as may be specified therein, if the Contractor is in Default of any obligation under this Codified Agreement and:

902.2.1 the Default is capable of remedy and the Contractor shall have failed to remedy the Default within thirty (30) days of written notice to the Contractor specifying the Default and requiring its remedy or within such other period as may be requested by the Contractor and agreed by POCL, such agreement not to be unreasonably withheld or delayed;

902.2.2 the Default is not capable of remedy (and for the purposes of this Clause, failure to comply with a timescale shall not of itself be considered a Default not capable of remedy except pursuant to Clause 606.4); or

902.2.3 notice has been served pursuant to Clause 606.4 making time of the essence and all or any of the obligations specified in the notice have not been performed by the time limit stated in the notice.

902.3 POCL may terminate this Codified Agreement in the circumstances referred to in paragraph 3 of Schedule A11.

902.4 In the event of any termination of this Codified Agreement pursuant to Clause 902.1, Clause 902.2 or 902.3 POCL shall return the POCL Service Infrastructure or any part thereof (other than any part in relation to which it has exercised the option to acquire under Clause 903), in which case the Contractor shall at no additional cost to POCL, remove such parts of the POCL Service Infrastructure and shall make good any damage to the POCL Premises occasioned by such removal.

902.5 POCL shall only be permitted to exercise its rights pursuant to Clause 902.1.1 for three (3) months after each such change of control and shall not be permitted to exercise such rights where POCL has agreed in advance in writing to the particular change of control and such change of control takes place as proposed. The Contractor shall notify POCL in advance of any change of control taking place, if legally possible, or if not so possible as soon as reasonably practicable, and in any event no later than one (1) month after such change of control taking place.

902.6

902.6.1 POCL may terminate this Codified Agreement by giving the Contractor not less than twelve (12) months' notice.

902.6.2 [Not used].

902.6.3 In the event of such notice being given, POCL shall on termination hereof pay to the Contractor the Termination Charge (calculated in accordance with Schedule A7).

902.6.4 [Not used].

902.6.5 [Not used].

902.7 Termination shall not prejudice or affect any right of action or remedy which shall have accrued or shall thereafter accrue to either party.

902.8 The provisions of Clauses 101, 102, 104, 506, 607, 609, 610, 801, 804, 805, 810, (other than 810.7 and 810.10) 902, 903 and 904 and the provisions of Schedules A1, A3, A7 and A12, shall survive the termination of this Codified Agreement by POCL or the expiry of this Codified Agreement.

**Clause 903. Rights on Expiry or Termination of Codified Agreement**

903.1 In the event of termination or expiry of this Codified Agreement, POCL shall, without prejudice to POCL's other rights and remedies but subject to payment of all sums due and payable to the Contractor up to the date of termination, have the option, exercisable at any time within one month after notice of termination, to acquire from the Contractor or to require the Contractor to permit a replacement contractor to acquire from it, in consideration of the Transfer Payment, the Project Assets, which shall comprise:-

903.1.1 any or all of the hardware comprised within the POCL Service Infrastructure and/or used in connection with the performance of the POCL Services (other than where such hardware is not owned by the Contractor or any of its subsidiary companies);

903.1.2 a non-exclusive licence to use for the continuation of services equivalent to

the POCL Services any necessary Intellectual Property Rights which are owned by the Contractor and used in connection with the performance of this Codified Agreement. Such licence shall:

- 903.1.2.1 not be subject to payment other than pursuant to Clause 903.1.6;
- 903.1.2.2 be perpetual and irrevocable (subject to Clause 506.12); and
- 903.1.2.3 permit use by members of the Post Office Group and End Users.

903.1.3 the right to require that the Contractor shall assign or novate, or (if assignment or novation is not possible) arrange for the benefit thereof to be transferred, in favour of POCL or to any person as may be designated for the purpose by POCL any sub-contracts, equipment rental or lease agreements and all other (non-employment) agreements entered into by the Contractor which are necessary to the performance of the POCL Services as POCL may designate;

903.1.4 a copy of all the Software and all other software, data, tools, utilities, documentation and any other item necessary to provide the POCL Services. Such software (other than any in respect of which POCL has exercised its option under Clause 903.1.2) shall be subject to any applicable licence terms, provided that such terms shall not detract from POCL's or a replacement contractor's ability to provide services equivalent to the POCL Services.

903.1.5 Notwithstanding the generality of Clauses 903.1.1 to Clause 903.1.4 POCL agrees only to exercise its rights under such Clauses to the extent that the relevant Project Assets apply to, and are required for the operation of, the Core System Services.

903.1.6 In the event that POCL exercises any of the options in Clause 903.1, POCL shall pay to the Contractor on completion of such option a sum equal to the Transfer Payment.

903.2 In the event that this Codified Agreement is terminated as provided for herein:

903.2.1 [Not used]

903.2.2 the Contractor shall return to POCL all Post Office Group Property in its possession;

903.2.3 the Contractor shall render all practicable assistance to POCL, if requested, to the extent necessary to effect an orderly assumption by POCL or a



replacement contractor of the services theretofore performed by the Contractor under this Codified Agreement and POCL shall reimburse the Contractor for such assistance at the rates then prevailing for customers of the Contractor for the same or similar services;

- 903.2.4 POCL shall be entitled on termination to offer any employee or sub-contractor (being an individual) of the Contractor who has during the six (6) months prior to such offer been involved for at least seventy five per cent (75%) of his contracted working time in performing the Contractor's obligations under this Codified Agreement employment or an agreement for services with POCL and the Contractor agrees that if such person accepts such offer the Contractor shall release such person from any breach of contract with it (other than in relation to such person's obligations of confidentiality and notice of termination) which such acceptance may otherwise involve; and
- 903.2.5 (a) as soon as possible following any notice of termination being given (in the case of an early termination of this Codified Agreement) and no later than three (3) months prior to the expiry of this Codified Agreement (in the case of the termination of this Codified Agreement through the effluxion of time) the Contractor shall at the request of POCL provide to POCL or to a replacement contractor nominated by POCL details of the terms of employment of all Contractor personnel who are then employed in the performance of the POCL Services as reasonably required by POCL in order to permit compliance with the Transfer of Undertakings (Protection of Employment) Regulations 1981 by POCL or a replacement contractor;
- (b) subject always to POCL's proper observance of their obligations under Clause 903.2.5(c), the Contractor shall fully indemnify POCL from and against any and all liabilities which POCL may incur in connection with or as a result of any claim or demand whatsoever by any employee or former employee of the Contractor or of any of the Contractor's sub-contractors or agents in respect of his employment with the Contractor or such sub-contractor or agent (or, pursuant to the application of the Transfer of Undertakings (Protection of Employment) Regulations 1981, with POCL or any replacement contractor) and/or its termination save to the extent such claim or demand both (i) is made by an employee identified within the relevant employment details referred to in Clause 903.2.5(a) as transferring pursuant to the Regulations and (ii) relates to employer's obligations accruing after the said transfer of employment which are clearly identified within the relevant employment details;

- (c) in the event of any claim or demand being made or action brought to which Clause 903.2.5(b) applies, the Contractor shall be promptly notified thereof and the Contractor shall at its own expense conduct all negotiations for settlement of the same and any legal proceedings that may arise therefrom. POCL, its sub-contractors, agents and employees shall at the request of the Contractor afford all reasonable assistance for the purpose of contesting any such claim or demand or action and shall be repaid any reasonable expense incurred in so doing and shall not make any admissions which may be prejudicial to the defence of any such claim or demand or action.

903.3 All the assets to be acquired pursuant to the exercise by POCL of its option under Clause 903.1 shall be acquired "as is", but free from encumbrances and the parties agree that all express and implied warranties and conditions relating to such assets are excluded to the full extent permitted by law.

**Clause 904. Transfer Services**

In the event of termination of this Codified Agreement, the Contractor shall perform the Transfer Services as set out in Schedule A7.

**PART 10 : MISCELLANEOUS**

**Clause 1001. Corrupt Gifts and Payments of Commission**

1001.1 The Contractor shall neither:

1001.1.1 offer or give or agree to give any person employed by the Post Office Group (which term shall include all persons employed or engaged by the Post Office Group and all persons providing services to the Post Office Group) any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do any act in relation to the obtaining or performance of this Codified Agreement or any other agreement with the Post Office Group or for showing or forbearing to show favour or disfavour to any person in relation to this Codified Agreement; nor

1001.1.2 enter into this Codified Agreement if in connection with it commission has been paid or agreed to be paid to any person employed by the Post Office Group by the Contractor or on the Contractor's behalf or to the Contractor's knowledge, unless before this Codified Agreement is made particulars of any such commission and of the terms and conditions of any agreement for the payment thereof have been disclosed in writing to POCL.



- 1001.2 In the event of any breach of this Clause 1001 by the Contractor or by anyone employed by the Contractor or acting on the Contractor's behalf (whether with or without the knowledge of the Contractor) or the commission of any offence by the Contractor or by anyone employed by the Contractor or acting on behalf of the Contractor under the Prevention of Corruption Acts, 1889 to 1916 in relation to this or any other contract with the Post Office Group, POCL may terminate this Codified Agreement by notice in writing to the Contractor pursuant to Clause 902.1.4. Provided always that such termination shall not prejudice or affect any right of action or remedy which shall have accrued or shall accrue thereafter to POCL and provided always that POCL may recover from the Contractor the amount or value of any such gift, consideration or commission.
- 1001.3 The decision of POCL shall be final and conclusive in any dispute, difference or question arising in respect of:
- 1001.3.1 the interpretation of this Clause (except so far as the same may relate to the amount recoverable from the Contractor under Clause 1001.2 in respect of any loss resulting from such termination of Codified Agreement); or
  - 1001.3.2 the right of POCL under this Clause 1001 to terminate the Codified Agreement; or
  - 1001.3.3 the amount or value of any such gift, consideration or commission.

**Clause 1002. Discrimination**

- 1002.1 The Contractor shall not unlawfully discriminate within the meaning and scope of any law, enactment, order, regulation or other similar instrument relating to discrimination (whether in relation to race, gender, religion or otherwise) in employment.
- 1002.2 The Contractor shall take all reasonable steps to ensure the observance of the provisions of Clause 1002.1 by all servants, employees, agents and consultants of the Contractor and all sub-contractors.

**Clause 1003. Export of Products**

For the purpose of this Codified Agreement only, POCL confirms that neither the Products nor their direct product(s) will be exported by POCL unless in accordance with any appropriate UK Government export licensing controls.

**Clause 1004. Guarantee**

The Contractor shall procure that ICL Plc shall within thirty (30) days after the date hereof enter into and maintain a guarantee in the form set out in Schedule A13 and that Fujitsu Limited shall execute and deliver to POCL a guarantee as required by Clause 1.2 of the Deed

of Guarantee and Indemnity dated 24th May, 1999 between Fujitsu Limited and POCL.  
Breach of this Clause shall constitute a Default not capable of remedy.

**Clause 1005. Insurance**

The Contractor shall to the extent reasonably possible insure or make provision for self-insurance against all losses and damages which are the result of its fault or negligence in performing the POCL Services, including workman's compensation, public liability, product liability, property damage and professional indemnity. The Contractor will, if requested in writing by POCL, produce to POCL a certificate of insurance showing the applicable coverage currently in force, and will also give POCL prior written notice of (where possible), or written notice no later than thirty (30) days after, alteration or cancellation of such insurance.

IN WITNESS WHEREOF this Codified Agreement has been executed on behalf of the parties  
as follows:-

Signed by )  
for and on behalf of )  
POST OFFICE COUNTERS LTD )  
in the presence of:- )

**GRO**

**GRO**

Signed by )  
for and on behalf of )  
ICL PATHWAY LIMITED )  
in the presence of:- )

**GRO**

CA991520.241

**GRO**

## SCHEDULE 1- POCL SERVICE ENVIRONMENT

### 1. INTRODUCTION

- 1.1 This Schedule provides an overview of the POCL Service Environment, including POCL's computer, telecommunication and business operating systems and services relevant to the Codified Agreement.

### 2. OVERVIEW OF POST OFFICE COUNTERS LTD

#### 2.1 Legislative Framework

- 2.1.1 POCL is a limited company whose shares are wholly owned by the Post Office. POCL is prohibited from doing anything the Post Office is not allowed to do (subject to exceptions sanctioned by the Secretary of State for Trade and Industry). Further, the Post Office Act 1969 (as amended) requires the Post Office Board to enforce this. The range of activities and degrees of commercial freedom open to POCL are subject to amendment by Parliament. POCL's business environment is governed by the Post Office Act 1969 (as amended) and the British Telecommunications Act 1981.

#### 2.2 Main Areas Of Business

- 2.2.1 POCL provides services to a diverse range of Customers on behalf of a wide range of Clients. Services provided by POCL include:

- benefit payments services
- postal and communications services
- licensing services
- financial services
- bill payment services
- retail services.

- 2.2.2 POCL conducts its business through a national network of Outlets comprising directly operated offices (owned and staffed by POCL) and agency offices which are run by individuals or organisations as Agents.

- 2.2.3 In May 1996, (when the Related Agreements were executed) POCL had over 14,000 employees and over 57,000 agents and assistants based in post offices, 7 regional offices, Central Services Group, business centres, and Head Office.

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2.2.4 POCL's retail network is supported by a network of physical distribution centres. In addition to distributing cash and stock to the Outlets and receiving returns, the distribution centres also perform certain transactions on behalf of POCL Clients, for example accepting Girobank business deposits.

2.2.5 POCL continues to develop both replacement and new products and services, in response to the changing requirements of Customers, Clients and Agents.

3. [NOT USED]

4. BILL PAYMENT

4.1 Bill payment services which POCL provides on behalf of POCL Clients and which shall be supported by the POCL Services and the POCL Service Infrastructure, interface to a range of Client Systems, POCL Staff and Agents.

5. COMPUTER SYSTEMS AND SERVICES

5.1 At the time of execution hereof POCL operated a range of automated equipment and services to support its business, including:

- Automated Payments Terminal (APT);
- Automated Payment Peripheral Unit (APPU)
- ECCO+;
- Counters Retail Information System in PostShops (CRISP);
- CAPTURE;
- ALPS/ESNS;
- Host Polling System;
- Document Processing Centres.

- 
- 5.2 The above equipment and services will be incorporated in or replaced by POCL Services and the POCL Service Infrastructure developed and provided under this Agreement, except for CRISP (or a replacement system) and some document processing, which are expected to continue to form part of the POCL Service Environment.
- 5.3 The following systems (under development at the time of execution hereof) also form part of the POCL Service Environment:
- Transaction Information Processing (TIP) - to support POCL requirements for transaction information for management and reconciliation purposes
  - Reference Data System - providing Reference Data in support of the POCL Services.
  - Advanced Distribution System (SAP/ADS) - providing cash and stock management services for Outlets and distribution centres.
- 5.4 Interface specifications at the boundary of the CONTRACTOR and POCL domains are set out in Contract Controlled Documents listed in Schedule B08.



## **SCHEDULE A01 - INTERPRETATION**

### **DEFINITION OF TERMS**

As used in this Codified Agreement, the following terms have the following meanings.

**Acceptance:**

Acceptance of a POCL Service or Release in accordance with the relevant Acceptance Procedure.

**Acceptance Criteria:**

The criteria for Acceptance of POCL Services or Releases as agreed in writing by POCL and the Contractor. This includes the Operational Trial Criteria.

**Acceptance Incident:**

Any unusual or undesirable occurrence, or request for advice and guidance, which has been reported in writing by POCL to the Contractor for analysis in respect of an Acceptance Test.

**Acceptance Period:**

The period identified in the appropriate Acceptance Specification as the allowable time for an Acceptance Test. This includes the Operational Trial Period.

**Acceptance Procedure:**

Any procedure agreed for Acceptance of a POCL Service or a Release.

**Acceptance Specification:**

A document describing the details of an Acceptance Test.

**Acceptance Test:**

A process, defined in any Acceptance Procedure, for determining whether a Service meets the relevant Acceptance Criteria, and which may include Acceptance Trials, Acceptance Reviews, or both of these.

**Additional POCL Service:**

Any POCL Service to be supplied pursuant to Clause 204 of this Codified Agreement.

**Additional Product:**

Any Product to be supplied pursuant to Clause 207 of this Codified Agreement.

**Advertisement:**

The advertisement placed by POCL and the DSS in the Official Journal of the European Communities on 30 August 1994 for the supply of (inter alia) the POCL Service Infrastructure and the POCL Services.

**Agent:**

Any person authorised to operate a franchise post office or sub-post office, including without limitation sub-post masters on a non-franchise contract, and franchisees of post offices or sub post offices.

**ALPS:**

An existing POCL order book control system.

**AP:**

Automated payment, effected by the Automated Payment Service.

**APACS:**

The Association for Payment and Clearing Services.

**AP Client Specification:**

A document describing an APS Client Service Type.

**Application:**

A Service delivered through and dependent upon the medium of the POCL Service Infrastructure.

**approve:**

To approve in writing, and related terms shall be construed accordingly.

**APPU:**

Automated payments peripherals unit.

**APS:**

Automated Payment Service (q.v.).

**APS Client Service Type:**

Each APS Client Service Type is a particular variant of APS characterised by a specific Token, specific processing rules and specific Client communication protocols. Each APS Client Service Type is documented in an AP Client Specification.

**APS Generic Rules:**

A document describing generic rules for APS.

**APT:**

The Automated Payment Terminal.

**Associated Fee:**

A fee charged by POCL to Customers on its own or a Client's behalf for a service or goods, that is collected when the service is performed or the goods are supplied.

**ATM:**

Automated teller machine.

**Attachable Computer System:**

A computer system (provided either by the Contractor under this Codified Agreement, or by any other party authorised by POCL and agreed with the Contractor) authorised by POCL for connection to the POCL Service Infrastructure.

**Authorised Official:**

A person authorised by POCL to sanction alterations or modifications to POCL Premises.

**Authorised Person:**

A person authorised to collect a benefit payment.

**Authorising Officer:**

A representative of POCL who has authority to raise orders, authorise invoices, and may make decisions on specified areas on behalf of POCL.

**Authorities' Agreement:**

The agreement dated 15th May, 1996 between DSS, POCL and the Contractor, referred to in Recital (b) to this Codified Agreement.

**Automated Payment Service:**

The automated payment service supplied by the Contractor pursuant to Clause 405.1 of this Codified Agreement.

**Balance:**

The process of reconciling the cash and Stock on hand at the start and end of a period (which may be a POCL Outlet Accounting Period) with sales and receipts during the period.

**Balancing Period:**

The time between final Balances of a Stock Unit.

**Beneficiary:**

A person entitled to receive one or more benefits.

**Board:**

Any of the bodies referred to in paragraph 2.1.2 of Schedule A04.

**Cash Account:**

The method by which the Transactions performed and the cash and Stock on hand at the end of a POCL Outlet Accounting Period are declared to POCL main accounting offices.

**Cash-Back:**

An EFTPOS arrangement which allows a Customer to draw cash as part of a normal Transaction.

**Cash Centre:**

A centre that manages and distributes value items for the POCL network.

**Cash Flow Reporting:**

Reporting by an Outlet to a counters remittance unit at the end of the POCL Outlet Accounting Period. Each such report consists of a summary over the POCL Outlet Accounting Period of the daily declarations made at close of business of its cash in

hand, cash Remittances sent and cash Remittances received, by denomination, during that day.

**CCB:**

Change Control Board (q.v.).

**CCD:**

Contract Controlled Document (q.v.)

**CCN:**

Change Control Note (q.v.).

**Change Control Board:**

The body referred to as such in the Management Table in the Annex to Schedule A04.

**Change Control Note:**

A document used in the Change Control Procedure and defined in Schedule A05.

**Change Control Procedure:**

The procedure for change specified in Schedule A05.

**Change Request**

A request to make a change for the purpose of paragraph 3 of Schedule A05.

**Charges:**

The charges payable by POCL under this Codified Agreement, including Schedule A12.

**Client:**

An organisation on behalf of which POCL provides a service to Customers at Outlets.

**Client Service Type:**

A variant of a standard service with detailed aspects of that service customised to meet a specific Client's needs.

**Commercial Director of ICL:**

The Director, Commercial and Legal Affairs of ICL or his successor from time to time.

**commit:**

In relation to a Transaction, to execute a Transaction Committal for that Transaction. Related terms shall be construed accordingly.

**Composite Product:**

A method of handling cash or Value Stock in which a number of POCL Product lines are combined for handling.

**Confidential Information:**

All information designated as such by either party hereto in writing together with the existence and terms of this Codified Agreement, the negotiations relating thereto and all other information (whether in writing or not) which relates to the business, affairs,

Products, developments, trade secrets, know-how, personnel, customers and suppliers of either party or information which may reasonably be regarded as the confidential information of the disclosing party.

**Contingency Services:**

The contingency services specified in Schedules E9, F9, G11, H9 and K9 of this Codified Agreement, to be performed pursuant to Clause 410 of this Codified Agreement.

**Contract Administration Board:**

The body referred to as such in the Management Table in the Annex to Schedule A04.

**Contract Controlled Document:**

A document which is referred to in this Codified Agreement and which the parties have agreed may only be amended through the Change Control Procedure.

**Contract Referenced Document:**

A document which is referred to in this Codified Agreement and which the parties have agreed may be amended other than through the Change Control Procedure.

**Contract Steering Group:**

The body referred to as such in the Management Table in the Annex to Schedule A04.

**Contracted Transaction Time:**

The time set out in this Codified Agreement against which a Transaction is measured for determining performance against Service Levels.

**Contractor Consumables:**

The consumables which are required for the performance of the POCL Services by the Contractor, other than consumables so used on the POCL Premises.

**Contractor's Representative:**

The person so notified to POCL by the Contractor.

**Contractor's Software:**

The software identified as such in Schedule B01.

**Core System:**

Such of the Core System Services as are to be provided during the currency of the Core System Release in accordance with Clauses 201.3 and 201.6.

**Core System Plus:**

Such of the Core System Services as are to be provided during the currency of CSR+ in accordance with Clauses 201.3 and 201.6.

**Core System Products:**

The Products to be supplied pursuant to Clause 205 of this Codified Agreement.

**Core System Release:**

The Release defined in the CCD entitled "ICL Pathway Core System Release Contents Description".

**Core System Services:**

The POCL Services to be supplied pursuant to Clause 201 of this Codified Agreement.

**Counter Clerk:**

Any person who serves Customers at a Counter Position in a post office.

**Counter Equipment:**

The PC's, printers, screens, local area network and other equipment installed by the Contractor in post offices for the provision of the POCL Services.

**Counter Position:**

A serving position in a post office, where a Customer transacts business with a Counter Clerk.

**CRD:**

Contract Referenced Document (q.v.)

**CSR:**

Core System Release (q.v.)

**CSR Acceptance**

The meaning ascribed thereto in paragraph 1 of Schedule A11.

**CSR Acceptance Specifications, CSR Acceptance Tests, CSR Core Observation Period and CSR Operational Trial Review Period:**

The meanings respectively ascribed to them in Schedule A11.

**CSR+**

The Release defined in the CCD entitled "ICL Pathway Core System Release Plus Contents Description".

**CS Completion Date:**

The date by which Roll Out of the Core System shall have been completed to 99 per cent. of all Outlets scheduled to be installed under Part A of the Roll Out Programme, as amended from time to time through the Change Control Procedure (excluding those referred to in paragraph 5.10.1(b) of Schedule A12).

**Customer:**

A person transacting, or seeking to transact, business with POCL through any of the Services.

**Customer Session:**

A set of contiguous Transactions recording business transacted by a single Customer.



**Data File:**

A set of electronic data, contained within a single file and held or used within, or transmitted over, any of the POCL Services provided by the Contractor.

**Default:**

Any breach of the obligations of either party (including but not limited to fundamental breach or breach of a fundamental term) or any default, act, omission, negligence or statement of either party, its employees, agents or sub-contractors in connection with or in relation to the subject matter of this Codified Agreement and in respect of which such party is liable to the other.

**Deliverable:**

An item which the Contractor is required to provide under the terms of this Codified Agreement, including without limitation Products.

**Deposited Software:**

All software designated as such in Schedule B01.

**Development Services:**

The development services to be performed by the Contractor pursuant to Clause 403 of this Codified Agreement.

**Dispute Resolution Procedure:**

The procedure set out in Clause 807 of this Codified Agreement.

**Distribution Centre:**

Sites from which cash, Value Stock and other items (other than data) are distributed to Outlets.

**DNS:**

Department for National Savings.

**Documentation:**

The documents listed in Schedule B03.

**DSS:**

The Secretary of State for Social Security, acting through and on behalf of the Department of Social Security and on behalf of the Department of Health and Social Security for Northern Ireland.

**DSS Agreement:**

The agreement between DSS and the Contractor dated 15th May, 1996 as referred to in Recital (b) to this Codified Agreement.

**DVLA:**

Driver and Vehicle Licensing Agency.

**ECCO+:**

A POCL EPOS system installed in some Outlets.

**EFT:**

Electronic funds transfer.

**EFTPOS:**

Electronic Funds Transfer at Point of Sale: a term used to describe the debiting of Customers' accounts, usually through EPOS systems, for goods or services they purchase.

**End User:**

Any employee of the Post Office Group and any Agent or employee thereof.

**EPOS:**

Electronic Point of Sale: a term used to describe the systems typically used in retail shops and stores, at the point of customer service, for recording sales transactions.

**EPOS:**

The EPOS Service supplied by the Contractor pursuant to Clause 405.2 of this Codified Agreement.

**Equipment:**

Any physical hardware (including but without limitation supply cords, interface cables and cords, User-installable components and peripherals) forming part of the POCL Service Infrastructure, or supplied under this Codified Agreement as an Optional Product or an Additional Product.

**ESNCS:**

The Electronic Stop Notice Computer System of DSS.

**Event:**

A recorded and auditable instance of business administration activity, such as the registration of a new User, or the production of a Report.

**Failed Acceptance:**

The failure to meet the thresholds referred to in paragraph 2.2 of Schedule A11 by the end of the relevant CSR Core Observation Period or deemed failure under paragraph 3.4 of Schedule A11.

**Final Deadline for CSR Acceptance:**

The date specified as such in Schedule B09.

**Governmental Regulation:**

Any United Kingdom primary legislation and any United Kingdom secondary legislation.

**Guarantor:**

Either of ICL plc or Fujitsu Limited.

**Hardware:**

Any hardware used by the Contractor to provide POCL Services under this Codified

Agreement including hardware supplied as a Core System Product or as an Optional Product or Additional Product.

**HCI:**

Human Computer Interface (q.v.).

**Help Desk:**

The Horizon System Help Desk, the initial point of call for Users in need of support relating to the POCL Services.

**Helpdesk:**

Help Desk (q.v.).

**Horizon System Help Desk:**

See Help Desk.

**HMG:**

Her (or His) Majesty's Government.

**Human Computer Interface:**

The presentation of computer systems to the User.

**Implementation Services:**

The implementation services to be supplied by the Contractor pursuant to Clause 404 of this Codified Agreement.

**IMS:**

The inventory management system used by POCL.

**Incident:**

Any perceived abnormal or undesirable occurrence relating to a POCL Service.

**Incident Resolution:**

The agreed closure of an Incident which may include the re-establishment of a POCL Service following an Incident or, where the Incident was found not to be an abnormal or undesirable occurrence, clarification of the incorrect perception.

**Incident Resolution Time:**

The time elapsed between the logging of an Incident by the Help Desk, and the Incident Resolution.

**Intellectual Property Rights:**

Patents, trade marks, service marks, design rights (whether registrable or otherwise), applications for any of the foregoing, moral rights, copyright, trade or business names and other similar rights or obligations whether registrable or not in any country (including but not limited to the United Kingdom).

**Internal Code:**

Machine readable software supplied as an integral part of the Hardware and not listed herein.

**IPR:**

Intellectual Property Rights (q.v.).

**ISDN Agreements:**

The agreements to be transferred by POCL to the Contractor pursuant to Clause 401.3 of this Codified Agreement.

**IT:**

Information Technology.

**LAN:**

Local Area Network.

**LFS:**

Logistics Feeder Service.

**Logistics Feeder Service:**

The logistics feeder service supplied by the Contractor pursuant to Clause 405.5 of this Codified Agreement.

**M25 Rollout:**

Roll Out of a POCL Service to Outlets in the area within the M25 motorway which currently use ALPS.

**Management Services:**

The management services to be supplied by the Contractor pursuant to Clause 602 of this Codified Agreement.

**Managing Director of POCL:**

The Group Managing Director of the Post Office from time to time responsible for the businesses currently carried on by POCL (currently Mr. Stuart Sweetman).

**Merchant Acquirer:**

A company providing facilities to handle EFTPOS on line authorisations and signed vouchers, linking as necessary with Outlets and banks etc.

**Message:**

A set of electronic data for transportation from one computer system to another.

**Method of Payment:**

The form of payment recorded against a Transaction involving a Customer.

**Migration Specification:**

The CCD entitled "Provision of In-Office Migration Services".

**Minimum Acceptable Threshold:**

In respect of a Service Level, the agreed minimum level of Service that the Contractor must provide as stated in the relevant Service Level Schedule.

**MIS:**

Management Information Systems.

**NAO:**

National Audit Office.

**National Roll Out:**

Roll Out of the Core System to all Outlets scheduled to be installed under the Roll Out Programme (as amended from time to time through the Change Control Procedure).

**NCC:**

The National Computing Centre Ltd., Manchester.

**New Business Board:**

The body referred to as such in the Management Table in the Annex to Schedule AO4.

**NINO:**

A National Insurance Number issued to any natural person.

**Non-value Stock:**

Stock which has no intrinsic value but for which records are maintained of the levels on hand.

**NR Completion Date:**

The date by which Roll Out of the Core System shall have been completed to 99 per cent. of all Outlets scheduled to be installed under the Roll Out Programme (as amended from time to time through the Change Control Procedure).

**OBCS:**

Order Book Control Service (q.v.).

**OBCS Stop Lists:**

A list of order books on which action needs to be taken.

**Operational Business Change:**

Services as set out in the Operational Business Change Catalogue.

**Operational Business Change Catalogue:**

The CCD entitled "Operational Business Change Catalogue" which sets out processes and prices for operational changes at Outlets.

**Operational Services:**

The POCL Infrastructure Services, the Automated Payment Service, EPOSS, the Contingency Services, OBCS, LFS and any other relevant Optional POCL Services.

**Operational Trial:**

The operational trial to be performed pursuant to Clause 402 of this Codified Agreement.

**Operational Trial Criteria:**

The acceptance criteria for the Operational Trial, as set out in Schedule L3 of this Codified Agreement.

**Operational Trial Period:**

The period for performance of the Operational Trial Procedure, ending on the Operational Trial Acceptance Date.

**Operational Trial Procedure:**

The Acceptance Test procedure for the Operational Trial System, as described in Schedule A11 of this Codified Agreement.

**Operational Trial System:**

The trial system to be delivered for testing under the Operational Trial Procedure, as described in Schedule L1 of this Codified Agreement, to enable the functionality and performance of the POCL Service Infrastructure and the Core System to be tested.

**OPS:**

The Office Platform Service described in Schedule G1 of this Codified Agreement and supplied by the Contractor pursuant to Clause 405.3 of this Codified Agreement.

**Optional POCL Service:**

Any POCL Service to be supplied pursuant to Clause 202 of this Codified Agreement.

**Optional Products:**

Any Products to be supplied pursuant to Clause 206 of this Codified Agreement.

**Order Book Control Service:**

The order book control service supplied by the Contractor pursuant to Clause 405.4.

**Other Authorised Location:**

A site, other than an Outlet, where it may be necessary to install and use elements of the POCL Service Infrastructure, e.g. training sites, county shows, and exhibitions.

**Other Stock:**

All Stock other than Retail Stock, Security Stock and Value Stock, including leaflets, forms and various general consumables and supplies.

**Outlet:**

A post office or any other location where POCL (whether directly or by means of Agents) transacts business with Customers.

**Outlet Balance:**

The aggregate balance across all the Stock Units in an Outlet.



**Outlet Manager:**

The person who has the necessary authority within Outlets through whom arrangements for installation and implementation of the POCL Service Infrastructure and POCL Services at each Outlet can be made.

**Out of Hours Support:**

Support provided outside POCL Core Day.

**Parent Company:**

Any holding company (as defined in Section 736 of the Companies Act 1985).

**Parent Outlets:**

Larger Outlets which perform the accounting work for Satellite Outlets.

**person:**

Includes a partnership, a corporation or association (whether incorporated or unincorporated), as well as a natural person.

**PIVOT:**

The existing POCL MIS system which provides, inter alia, reports of numbers of transactions by Outlet.

**POCL:**

Post Office Counters Ltd. or such other subsidiary of the Post Office as may be nominated from time to time to take over the rights and obligations of Post Office Counters Ltd. under this Codified Agreement.

**POCL Agreement:**

The agreement between POCL and the Contractor dated 15th May, 1996 as referred to in Recital (b) to this Codified Agreement.

**POCL Application Services:**

The Automated Payment Service and OBCS.

**POCL Client Services:**

The services to be performed by the Contractor pursuant to Clause 203 of this Codified Agreement.

**POCL Consumables:**

The consumables to be supplied pursuant to Clause 208 of this Codified Agreement, as listed in Schedule B04 of this Codified Agreement.

**POCL Data:**

Means all data, information, text, drawings, diagrams, images or sounds which are embodied in any electronic or tangible medium, and which are supplied or in respect of which access is granted to the Contractor by POCL pursuant this Codified Agreement, or which the Contractor is required to generate for POCL under this

Codified Agreement, but excludes the Service Architecture Design Document and Documentation.

**POCL Core Day:**

08:00 to 20:00 Monday to Saturday inclusive, excluding bank holidays.

**POCL Infrastructure Services:**

The POCL Infrastructure Services to be performed by the Contractor pursuant to Clause 405.3 of this Codified Agreement.

**POCL Interface:**

An interface between a Service or Services and a POCL system or systems.

**POCL Outlet Accounting Period:**

The shortest normal accounting period applying within an Outlet, normally a week and running Thursday through Wednesday, but subject to variation at financial year end and to revision. It may be merged by agreement in individual Outlets, e.g. to enable sub-postmaster holidays.

**POCL Premises:**

All post offices, sub post offices, and other premises of POCL from time to time.

**POCL Product:**

An item, provided by POCL, for sale from Stock - or characterising a service provided - in an Outlet.

**POCL Reference Data System:**

The POCL-run system that maintains the POCL-originated Reference Data for the POCL Services.

**POCL Responsibilities:**

The responsibilities of POCL set out in Schedules A16, E3, F3 G5, H3 and K3 of this Codified Agreement.

**POCL's Agent:**

Any person(s) or organisation(s) authorised to act on behalf of POCL.

**POCL's Representative:**

The person so notified to the Contractor by POCL.

**POCL Service Architecture:**

The architecture of the Operational Services, the POCL Service Infrastructure and the POCL Service Environment.

**POCL Service Environment:**

POCL's computer, telecommunication and business operating systems and services, as described in Schedule 1 of this Codified Agreement, that are to be integrated with the POCL Service Infrastructure and the Operational Services to form the POCL Service Architecture.

**POCL Service Infrastructure:**

The Hardware and the Software and all other electronic, computer and telecommunications equipment which form the infrastructure to be utilised by the Contractor for the provision of the POCL Services, but does not include the POCL Service Environment.

**POCL Services, or Services:**

The Core System Services and all other obligations of the Contractor under this Codified Agreement.

**POCL Transferred Assets:**

The assets to be transferred by POCL to the Contractor pursuant to Clause 401 of this Codified Agreement, as listed in Schedule A09 of this Codified Agreement.

**Postmaster's Daily Record (PDR):**

Report forms used to summarise Girobank Transactions that are sent to the Client. There are currently forms for deposits and withdrawals in manual and automated offices, and a mixed (cash / cheque) deposit version in ECCO+ offices only.

**Post Office**

The statutory corporation so named and formed under the Post Office Act 1969.

**Post Office Group:**

The Post Office and its subsidiary companies.

**PostShop:**

A separate retail unit within a post office operated directly by POCL.

**PPDs:**

Process and Procedures Documentation.

**Products:**

Any products to be supplied under this Codified Agreement, including, where appropriate, the Core System Products and any Optional Products and Additional Products and any POCL Consumables.

**Project Assets:**

The assets referred to as such in Clause 903.1.

**Project Plan:**

The plan for the implementation of the POCL Service Infrastructure and the Operational Services as set out in Schedule B09 and the Roll Out Programme.

**Property:**

Tangible property (including without limitation buildings and land) but excluding the POCL Service Infrastructure and any part thereof before it has been accepted in accordance with this Codified Agreement.

**Proposal:**

The Contractor's Proposal, in response to the Statement of Service Requirements. The Proposal has been superseded by the Schedules to this Codified Agreement.

**RAB:**

Release Authorisation Board (q.v.).

**Rate Shop:**

Where a Customer purchases Stock by value rather than by volume, i.e. by a number of items of Stock purchased for a given sum.

**Records:**

Full and accurate records relating to the performance of the POCL Services.

**Recovery:**

The act of re-establishing a Service following a Service Failure.

**Reference Data:**

A set of parameters and relationships controlling the operation of POCL Services.

**Refund:**

A repayment of money to a Customer, by means of a Reversal.

**Related Agreements:**

The Authorities' Agreement, the DSS Agreement and the POCL Agreement, each as referred to in Recital (b) of this Codified Agreement.

**Release:**

A documented collection of software and/or data provided by the Contractor to deliver a POCL Service or POCL Services.

**Release Authorisation Board:**

The body referred to as such in the Management Table in the annex to Schedule A04.

**Release Contents Description:**

A CCD which defines the scope of a Release by reference to the SADD.

**Remittance:**

A consignment to or from an Outlet of cash, Stock, or other value items to be brought to account.

**Report:**

A physical document; or, information held electronically in such a way that it can be processed readily to produce a physical document.

**Representative:**

A representative of POCL or the Contractor as appropriate.

**Retail Price Index:**

The "all items" index currently appearing at table 18.1 of the Office of National Statistics publication "Monthly Digest of Statistics" and any subsequent relocation thereof, or the same index in any other Government publication if the aforementioned ceases to be published.

**Retail Stock:**

Items sold in Outlets through POCL's retail accounting scheme.

**Reversal:**

A Transaction which nullifies a previous Transaction.

**Roll Out:**

The implementation of the POCL Service Infrastructure and/or a POCL Service in Outlets.

**Roll-Out, Rollout, roll-out or roll out:**

Roll Out (q.v.).

**Roll Out Payment:**

The sum of £548 million to be paid to the Contractor subject to and in accordance with Part A of Schedule A12 and consisting of the following elements:

- (i) £280 million in respect of the right to use the Core System and (if and when approved for release by the Release Authorisation Board) CSR+;
- (ii) £120 million in respect of the use of hardware (and software associated therewith) during the term of this Agreement;
- (iii) £80 million in respect of installation, training and modification costs in respect of the POCL Service Infrastructure and POCL Services; and
- (iv) £68 million in respect of operating and maintenance costs incurred prior to 1 April, 2001.

**Roll Out Programme**

The programme set out in Annex 1 to Schedule A12 (Parts A and B).

**RPI:**

Retail Price Index (q.v.).

**SADD:**

Service Architecture Design Document (q.v.).

**SAP/ADS:**

SAPADS (q.v.).

**SAPADS:**

SAP Advanced Distribution System.

**Satellite Outlet:**

An Outlet which handles insufficient Transactions to justify production of a separate Cash Account.

**Security Stock:**

Stock products which have no cash account value until sold, any item the loss of which would result in loss to POCL.

**Service Architecture Design Document:**

The document showing the POCL Service Architecture developed pursuant to Clause 403.7, as amended from time to time to reflect Optional and Additional Products and POCL Services supplied and performed under this Codified Agreement.

**Service Break:**

The duration of a Service Failure.

**Service Credit:**

Payment, discount or credit given by the Contractor to POCL resulting from delay in provision of POCL Services, or from POCL Services' failure to meet the required Service Levels.

**Service Definition Schedules:**

Schedules E1, F1, G1, H1 and K1 of this Codified Agreement.

**Service Failure:**

An interruption of a POCL Service that has not been approved by POCL.

**Service Level:**

A quantified and measurable standard, required for a specified POCL Service.

**Service Level Agreement:**

See Service Level.

**Service Level Measurement Period:**

The period over which the Contractor shall report service performance against Service Levels. Each Service Level Measurement Period shall be a period of three months ending on February, May, August and November in each Year, with the final Service Level Measurement Period commencing on 1st March, 2005 and ending on 31st March, 2005.

**Service Level Schedules:**

Schedules B10, E08, F08, G10, H08 and K08 of this Codified Agreement.

**Service Manager:**

The person appointed by the Contractor to manage the provision of a POCL Service.

**Service Ready-for-use Date:**

The date on which a POCL Service, which has achieved Acceptance, is first made available by the Contractor for use by Users.



**Service Review Board**

The body referred to as such in the Management Table in the Annex to Schedule A04.

**Service Review Meeting:**

A meeting of the Service Review Board.

**Service RFU Date:**

Service Ready-for-use Date (q.v.).

**Services:**

POCL Services.

**Severity Code:**

A code assigned to an Incident by the Help Desk, indicating the seriousness of the Incident's effect, and used to determine priority for resolution.

**SLA:**

Service Level Agreement (q.v.).

**Smart Key:**

A type of Token (as defined in relation to the Automated Payment Service) which uses on-board integrated circuit technology.

**Smart Token:**

A type of Token (as defined in relation to the Automated Payment Service) which uses on-board integrated circuit technology.

**SMS:**

System Management Service (q.v.).

**Software:**

The Contractor's Software, the Specially Written Software, Internal Code, the Third Party Software and any other software provided under this Codified Agreement.

**Source Code:**

Software in eye-readable form and in such form that it can be compiled or interpreted into equivalent object code together with all technical information and documentation necessary for the use, reproduction, modification and enhancement of such software.

**Specially Written Software:**

Any software identified as such in Schedule B01 of this Codified Agreement and written by or on behalf of the Contractor for POCL and supplied by the Contractor hereunder pursuant to Clause 204 of this Codified Agreement or as an Optional Product or Additional Product.

**Stock:**

Items held in Outlets and classified as Retail Stock, Security Stock, Value Stock, and Other Stock.

**Stock Item:**

A unit of Stock which can be ordered separately.

**Stock Unit:**

An individual unit of accountability, mandatory within a main (branch) post office and optional within a sub post office, for which an individual (or a group of individuals) is accountable. It may contain: (i) Transaction Vouchers for a designated period, (ii) Value Stock, and/or (iii) cash.

**sub-contractor:**

A person to whom any obligations of the Contractor expressly specified in this Codified Agreement are delegated in accordance with the provisions of this Codified Agreement but shall not (for the avoidance of doubt) include any supplier of products or services which are not expressly specified as obligations of the Contractor under this Codified Agreement and related expressions shall be construed accordingly.

**subsidiary company:**

The meaning ascribed thereto in Section 736 of the Companies Act 1985.

**Suspense Account:**

In Outlet terms, the value of Transactions that are accounted for in the unclaimed payments or uncharged receipts tables of the Cash Account. These items will subsequently be cleared by posting to an appropriate line of the Cash Account or by local settlement.

**System Management Service:**

The System Management Service provided by the Contractor as part of the POCL Infrastructure Services pursuant to Clause 405.3 of this Codified Agreement.

**Team Work:**

A method of working in which Users share a Stock Unit or Tills within a Stock Unit, either at the same time or in sequence. The team then becomes accountable for the Stock Unit or Till.

**termination:**

Termination of this Codified Agreement includes its expiry or early termination of in accordance with the provisions hereof, and related expressions shall be construed accordingly.

**Termination Charge:**

The termination charge calculated in accordance with Schedule A07 of this Codified Agreement.

**Termination Review Threshold:**

For a POCL Service, is the Service Level stated in the relevant Service Level Schedule below which POCL's operations are seriously compromised, so that POCL shall have the right to terminate this Codified Agreement.

**Third Party Software:**

Any software identified as such in Schedule B01 of this Codified Agreement.

**Third Party Software Owner:**

The ultimate licensor of any Third Party Software.

**Till:**

A part or whole of a Stock Unit depending upon whether or not that Stock Unit is the sole charge of one individual or is shared between several.

**TIP:**

The Transaction Information Processing system developed and operated by POCL.

**TMS:**

The Transaction Management Service provided by the Contractor as part of the POCL Infrastructure Services pursuant to Clause 405.3 of this Codified Agreement.

**TMS Agent:**

Part of the POCL Service Infrastructure that accesses TMS held data.

**Token:**

A magnetic stripe card, smart card, smart key, or other physical device, bearing information about a Customer.

**Token Technology Specification:**

A document specifying the technology used by a particular APS Token.

**Transaction:**

A recorded and auditable instance of business activity, involving service provision or Stock movement across organisational or service boundaries.

**Transaction Committal:**

The point at which a Transaction is irreversibly recorded in the audit trail.

**Transaction Identification (Id):**

A means of uniquely identifying a Transaction.

**Transaction Session:**

A set of contiguous Transactions of the same type.

**Transaction Voucher:**

A document used by POCL as evidence of a Transaction; including as an example, and without limitation, a telephone bill.

**Transfer:**

(i) In the context of transfer of post office stock or money, the transfer of Value Stock, and/or money, either between Stock Units within an Outlet, or between Outlets; and  
(ii) in the context of transfer to the Contractor, the transfer to the Contractor pursuant to Clause 401 of this Codified Agreement.

**Transfer Date:**

The date specified in Schedule A09 of this Codified Agreement.

**Transfer Payment:**

The sum payable pursuant to Clause 903 of this Codified Agreement, as defined in paragraph 4.3 of Schedule A7.

**Transfer Services:**

The services set out in Schedule A7.

**Use:**

The right of POCL in connection with the POCL Services and for no other purposes to load, execute, store, transmit, display, copy (for the purposes of loading, execution, storage, transmission or display) or otherwise to utilise the Software for purposes of processing POCL Data. To the extent permitted by law, such right of Use shall not include the right to reverse assemble, reverse compile, decode or otherwise translate the Software.

**User:**

A person authorised by POCL to use a POCL Service.

**Value Stock:**

Stock products which have a "stock value" shown on the Cash Account.

**VAT Receipt:**

A receipt for VAT purposes designed as required by HM Customs and Excise.

**Void Transaction:**

A Transaction which is cancelled before Transaction Committal.

**WAN:**

Wide Area Network.

**Working Day:**

For an individual post office means any day on which that office is open for normal business.

**Working Hours:**

For an individual post office means the hours during which that office is open for normal business.

**Year:**

A period of twelve (12) months commencing on 15 May, 1999 and on each anniversary of such date thereafter, or in the event of termination hereof, the period from the immediately preceding such anniversary or (if there has been no such anniversary) the date of execution hereof to the date of termination hereof.

## SCHEDULE A02 - POLICIES AND STANDARDS

### 1. INTRODUCTION

- 1.1 The policies and standards defined in this Schedule shall apply to all relevant aspects of the POCL Services unless amended in accordance with Schedule A5.
- 1.2 The Contractor shall not knowingly undertake any activity which would prevent POCL from, or hinder it in, complying with these policies and standards, without the prior written consent of POCL.

### 2. GENERAL AND HEALTH AND SAFETY STANDARDS

#### 2.1 General

- 2.1.1 Without limitation to the specific areas identified below, which shall not limit the generality of this paragraph 2.1.1, all POCL Services, and all Equipment, shall comply to the extent required by law with all relevant legislation, including all relevant UK Regulations and, from the due date of UK implementation, EC Directives. The Contractor shall ensure that POCL Services and Equipment are maintained in compliance with any subsequent legislation throughout the term of the Codified Agreement, and shall perform any modifications necessary to ensure such continued compliance, subject to Clause 409 of the Codified Agreement.
- 2.1.2 The Contractor shall, on request by POCL, establish to POCL's satisfaction the compliance of POCL Services or Equipment with legislation or specified policies and standards. In the event that the Contractor and POCL fail to agree that compliance has been demonstrated satisfactorily, the matter shall be treated in accordance with Clause 807.
- 2.1.3 The Contractor shall ensure that, where the installation of Equipment or the delivery of POCL Services involves the alteration or extension of existing building services, such work complies with the standards set out in British Standards and Approved Codes of Practice which are deemed therein to satisfy the relevant regulations, including without limitation:
  - (a) the Electricity at Work Regulations, 1989 and Electricity at Work Regulations (NI) 1991 (S.R. 1991 No. 13) and BS 7671:1992, Requirements for Electrical Installation;
  - and
  - (b) the Environmental Protection Act 1990 and insofar as it relates to Northern Ireland any corresponding Northern Ireland legislation and the publication *Waste Management: The Duty of Care - A Code of Practice*.

2.1.4 The Contractor shall give due attention to the effects of the Equipment used in the provision of OPS on the environment during manufacture, installation and use. This includes: [R540 para 1]

- (a) use of CFCs;
- (b) energy consumption;
- (c) recyclability of components;
- (d) recyclability of consumables;
- (e) waste minimisation;
- (f) use of sustainable resources;
- (g) disposal of displaced equipment and waste;
- (h) making appropriate use of recycled materials.

2.1.5 The Contractor shall adhere to relevant environmental legislation, such as the Environmental Protection Act 1990 and insofar as it relates to Northern Ireland any corresponding Northern Ireland legislation, and to the publication *Waste Management: The Duty of Care - A Code of Practice*. [R540 para 2]

## **2.2 Health and Safety**

2.2.1 The Contractor shall ensure that any Equipment installed at the POCL Premises does not prevent POCL and POCL's Agents from meeting their legal health and safety responsibilities as employers, including without limitation those defined in:

- (a) the Provision and Use of Work Equipment Regulations 1992 and the Provision and Use of Work Equipment Regulations (NI) 1993 (S.R. 1993 No. 19), and
- (b) the Workplace (Health, Safety and Welfare) Regulations 1992 and Workplace (Health, Safety, and Welfare) Regulations (NI) 1993 (S.R. 1993 No. 37).

2.2.2 The Equipment shall not interfere with the health or safety at work of Users, office staff or others in the vicinity, including but without limitation as a result of emission of acoustic noise, vibrations, heat, fumes or other radiation, or as a result of its construction.



## **2.3 Data Protection Act**

- 2.3.1 The Contractor shall ensure that any information supplied under the Data Protection Act 1984 is accurate and that assurances can be given as to the integrity of that information.
- 2.3.2 The Contractor shall deliver any information requested under the Data Protection Act 1984 to the requesting body, person or POCL as appropriate.
- 2.3.3 The Data Protection Act 1984 became law from 11 November 1987. All alterations and reviews to this law after 15 May, 1996 shall be integrated and adhered to.
- 2.3.4 The Contractor shall record all written requests for a data protection print from a Customer, representative or POCL within five (5) days of receipt of the request, and deal with queries raised within a timescale to be agreed with POCL by a date consistent with the Project Plan, such agreement not to be unreasonably withheld or delayed.
- 2.3.5 All information provided under the Data Protection Act 1984 shall be available to POCL to facilitate inspection.
- 2.3.6 Details of a request and response made under the Data Protection Act 1984 shall be retained by the Contractor consistent with the Data Protection Act 1984 requirements.

## **3. EQUIPMENT STANDARDS**

- 3.1 The Contractor shall ensure that all Equipment is rated for continuous operation, and capable of functioning safely and reliably for an unlimited period, attended or unattended, in the installed environment.
- 3.2 Each installation of such Equipment shall be physically and electrically safe and in compliance with relevant legislation and recognised best practice. Such installation shall not cause interference with other devices. Such Equipment may be required to be installed in residential premises. [R474 para 2]
- 3.3 In paragraph 3.2, "relevant legislation" includes all relevant UK Regulations and, from the due date of UK implementation, EC Directives. Such Equipment shall be maintained to be compliant with any subsequent legislation. [R474 para 2(a)]
- 3.4 In paragraph 3.2, "relevant legislation and recognised best practice" includes mandatory standards, including all relevant UK Regulations and, from the due date of UK implementation, EC Directives. Such Equipment shall be maintained to be compliant with any subsequent legislation or mandatory standards. [R474 para 2(b)]

- 3.5 It shall be possible to prove compliance with legislation or mandatory standards as and when necessary. [R474 para 4]
- 3.6 The Contractor shall ensure that all information technology, telecommunications or electrical business Equipment complies with BS EN60950:1992 (BS7002:1992) and any subsequent amendments, and that Equipment comprising AC power adapters complies with EN60065:1993.
- 3.7 The Contractor shall ensure that workstation aspects of the Equipment shall comply with The Health and Safety (Display Screen Equipment) Regulations 1992, which implement Council Directive 90/270/EEC on working with display screen Equipment.
- 3.8 The Contractor shall ensure that any Equipment containing laser emitters (including without limitation laser printers and laser bar-code scanners) complies with BS EN 60825:1992.
- 3.9 The Contractor shall ensure that all telecommunications Equipment shall conform to Council Directive 91/263/EEC (the Telecommunication Terminal Equipment Directive) and have a current BABT certificate or equivalent for connection to the public telephone network.
- 3.10 The Contractor shall ensure that all machinery in the Equipment complies with the Supply of Machinery (Safety) Regulations 1992, which implement the Machine Directive 89/392/EEC as amended by 91/368/EEC.
- 3.11 The Contractor shall ensure that all electrical Equipment complies with:
- (a) the Electrical Equipment (Safety) Regulations 1994, which implement the Low Voltage Directive 73/23/EEC as amended by 93/68/EEC, and
  - (b) the requirements of BS7671:1992 in relation to the method of connection to the main supply and associated equipment earth leakage currents.
- 3.12 The Contractor shall arrange for regular electrical safety testing of all relevant elements of the POCL Service Infrastructure installed in POCL Premises, thereby enabling POCL to meet its legal obligations under the Electricity at Work Regulations 1989 and Electricity at Work Regulations (NI) 1991 (S.R. 1991 No. 13). [R912 and S912]
- 3.13 The Contractor shall ensure that any Equipment connected, or intended for connection, to weighing devices meets the requirements of the Non-automatic Weighing Instruments (EEC Requirements) Regulations 1992 Schedule 3 Applications.

- 3.14 The Contractor shall ensure that all visual display terminal Equipment (including without limitation keyboards) complies with the relevant requirements of either BS 7179:1990 or ISO 9241:1992.
- 3.15 The Contractor shall ensure that all Equipment that falls within the scope of The Electromagnetic Compatibility (EMC) Regulations 1992, which implement Council Directive 89/336/EEC (as amended by 92/31/EEC), complies with these regulations, specifically, but without limitation, to the minimum EMC requirements of both residential and commercial installations, including compliance with BS EN 50081 and BS EN 50082 with the following amended test severity levels and with no degradation of performance:
- (a) IEC 801 part 2 class 3, 6kV contact discharge;
  - (b) IEC 801 part 3 3V/m;
  - (c) IEC 801 part 4 +/- 1kV injected onto mains AC supply;
  - (d) IEC 801 part 5 +/- 2kV.
- 3.16 The Contractor shall ensure that Equipment covered by EN45501:1992 complies with clause A4.5 (voltage variations) and Annex B of that standard.
- 3.17 The Contractor shall ensure that the acoustic noise emission of any item of Equipment does not materially add to average background noise levels within the environment in which it is installed, and shall in no event exceed 60dB(A) measured at a distance of 1 metre.
- 3.18 The Contractor shall ensure that all items of Equipment to which BS EN 60529:1992 applies, have an Index of Protection rating of IP3X as defined in BS EN 60529:1992.

#### 4. POCL'S POLICIES AND STANDARDS

##### 4.1 Security Policy [all from R698]

- 4.1.1 The Contractor shall minimise and control liabilities to itself and POCL.
- 4.1.2 The Contractor shall, by a date consistent with the Project Plan, set up an organised security infrastructure covering:
- (a) the agreement of a security policy;
  - (b) allocation of security responsibilities;
  - (c) security education and training;
  - (d) reporting security incidents;

- (e) physical security control;
- (f) virus control;
- (g) business continuity;
- (h) control of Software;
- (i) safeguarding POCL records;
- (j) information classification;
- (k) compliance with data protection and other legislation;
- (l) information exchange control;
- (m) Contractor's sub-contractors and suppliers;
- (n) compliance with security policy;
- (o) the management of fraud and risk during POCL Service operation compatible with Clause 106.10.

4.1.3 The Contractor shall be compliant with BS7799.

*Security Standards*

4.1.4 The Contractor shall adhere to the relevant parts of POCL's security standards and requirements listed below, and co-operate with POCL to assist POCL in complying with those standards and requirements:

- (a) 'Social Security IT Security Standards' (reference DITSG\ITSS\0001.04, version 6.3 dated September 1996) to the extent applicable to OBCS and to the POCL Infrastructure Services necessary to deliver OBCS;
- (b) 'Post Office Counters Information Systems Security Policy' (as provided in Appendix 4-1 of the BA/POCL SSR issued in April 1995); and
- (c) 'A Code of Practice for Post Office Information Systems Security' (Version 1.5 dated 28/10/94, as provided in Appendix 4-2 of the BA/POCL SSR issued in April 1995).

4.1.5 Any changes to the list in paragraph 4.1.4. shall be made in accordance with Clause 101.2.

#### *Data Security*

4.1.6 The confidentiality, integrity, validity and completeness of data shall be maintained throughout all storage, processes and transmissions, including during periods of Service Failure and recovery from Service Failure. [R828]

4.1.7 [Not used].

#### *Prosecution support*

4.1.8 The Contractor shall ensure that all relevant information produced by the POCL Service Infrastructure at the request of POCL shall be evidentially admissible and capable of certification in accordance with the Police and Criminal Evidence Act (PACE) 1984, the Police and Criminal Evidence (Northern Ireland) Order 1989 and equivalent legislation covering Scotland. [R829 para 1]

4.1.9 At the direction of POCL, audit trail and other information necessary to support live investigations and prosecutions shall be retained for the duration of the investigation and prosecution irrespective of the normal retention period of that information. [R829 para 2]

#### **4.2 Audit**

4.2.1 The Contractor shall comply with the audit standards described in Schedule A03.

#### **4.3 Training and Training Material**

4.3.1 The Contractor shall prepare all training events and training material - and, where required by the Codified Agreement to provide them, shall provide such training events and training material - used to train POCL's staff or agents and the POCL's Agents and their staff or agents, in conformance with:

- (a) either the Kirkpatrick structured training evaluation methodology (levels 1 to 4 for all training events; levels 1 and 2 for all training documentation), or
- (b) any alternative structured training evaluation methodology which the Contractor may propose, subject to obtaining the prior written agreement of POCL.

#### **4.4 Documentation**

4.4.1 The Contractor shall ensure that all documentation, whether paper-based or electronically produced, relating to the POCL Services, harmonises with the design principles identified in the POCL Visual Identity Design Applications Guideline, unless prior written consent to the contrary has been obtained from POCL.

- 4.4.2 The Contractor shall ensure that all materials which are used for producing documentation relating to the POCL Services, conform to relevant parts of POCLs *Environmental Policy Summary*.

## 5. CONTRACTOR'S POLICIES AND STANDARDS

### 5.1 Quality Management System

- 5.1.1 The Contractor shall operate a quality management system which complies with BS EN ISO 9001:1994 for all its activities within the scope of the Codified Agreement.

- 5.1.2 The quality management system shall be applied to all aspects of the delivery of POCL Services hereunder.

- 5.1.3 The quality management system shall be audited and certified by a BSI accredited auditor, who is independent of both the Contractor and POCL:

- (a) in any event, at intervals of not longer than twelve (12) months, and
- (b) in addition, within twenty (20) Working Days of any such request.

- 5.1.4 The Contractor shall within one (1) month of each audit (i) provide POCL with copies of all reports produced by the auditor on the quality management system, and (ii) notify POCL of and carry out the Contractor's proposed follow up actions where required.

### 5.2 Human-Computer Interface

- 5.2.1 The Contractor shall create and maintain, as a controlled document and to the documentation standards referenced in 4.4.1 above, a Human-Computer Interface specification.

- 5.2.2 This specification shall set out general guidelines for the Human-Computer Interface, including without limitation details of screen layouts, system navigation routes and help and manual entry facilities.

- 5.2.3 The Contractor shall use reasonable endeavours to specify a Human-Computer Interface which is intuitive and easy to use by Users, including Counter Clerks, to minimise errors and delays.

- 5.2.4 The Contractor shall ensure that the Human-Computer Interface provides a consistent look and feel across all Applications delivered by the Contractor over the POCL Service Infrastructure, and that it is easily adapted to facilitate the introduction of new Applications.



## **SCHEDULE A03- AUDIT**

### **1. Scope**

- 1.1 This Schedule identifies the audit requirements with which the Contractor and its sub-contractors shall comply.

### **2. POCL'S Agents**

- 2.1 For the purpose of this Schedule, POCL'S Agents shall mean:

- (a) POCL;
- (b) statutory or regulatory auditors of POCL;
- (c) external auditors appointed by POCL;
- (d) authorised agents or successors of the persons listed in paragraphs 2.1 (a), 2.1 (b) and 2.1 (c).

### **3. Record Keeping**

- 3.1 The Contractor shall maintain or shall cause to be maintained an audit trail of all Transactions and Events in strict conformance to the relevant standards contained in the documents referred to in paragraph 4.1.4 of Schedule A2.

### **4. Access**

- 4.1 The Contractor shall provide POCL'S Agents access to such additional material required to support the Records. Such access shall include:

- (a) premises;
- (b) facilities;
- (c) services;
- (d) documentation;
- (e) information (magnetic or otherwise);
- (f) staff;
- (g) procedures;

- (h) timesheets and other data used directly as a basis for charging, belonging to the Contractor, which relate to the provision of the POCL Services.
- 4.2 The Contractor shall ensure that POCL's Agents can gain access to the POCL Data held by the Contractor in Outlets to enable internal POCL audit requirements to be met.
- 4.3 The Contractor shall provide reasonable assistance at all times during the currency of the Codified Agreement and for six (6) years after the date of termination or expiry of the Codified Agreement, for the purposes of allowing POCL to obtain such information as is necessary to fulfil POCL's obligations to supply information for parliamentary, judicial, or administrative purposes.
- 4.4 POCL shall pay the Contractor its reasonable costs directly incurred in providing such assistance after termination of the Codified Agreement provided that the Contractor proves such costs to the reasonable satisfaction of POCL.
- 4.5 On notification of an audit as specified in section 6 of this Schedule the Contractor shall provide POCL's Agents with reasonable access to the audit trail in paragraph 3.1 of this Schedule and the facility to interrogate that audit trail using reasonably selected criteria.
- 4.6 POCL shall require POCL's Agents to comply with the Contractor's reasonable security requirements whilst on the Contractor's premises, the scope of which the Contractor shall notify to POCL's Agents directly on notification of audit.
- 5. **Audit Standards**
- 5.1 Without prejudice or limit to POCL's general rights to audit, audits by POCL's Agents shall be conducted from time to time in accordance with the standards laid down in the Post Office Internal Audit Standards.
- 6. **Notification of Audit**
- 6.1 Subject to Clause 801.3, the Contractor and POCL shall from time to time agree arrangements (such agreement not to be unreasonably withheld or delayed), including timescales, for audits required by POCL.
- 6.2 With respect to Clause 801.3, where the investigations find no evidence of fraudulent activity or other impropriety by the Contractor or the Contractor's agents, then at the discretion of POCL, the Contractor may be paid reasonable additional charges for its assistance.

## 7. Response to Audits

### 7.1 General

7.1.1 POCLs Agents may produce reports to POCL indicating areas of non-compliance with the Codified Agreement or any other reports they deem appropriate. POCLs Agents may also make recommendations.

7.1.2 Following each audit POCL shall provide, to the Contractor, a report approved by POCLs Agents indicating:

- (a) any areas of non-compliance with the Codified Agreement which the Contractor is required to rectify;
- (b) any audit recommendation with which POCL requests the Contractor to comply.

7.1.3 POCL shall give the Contractor a minimum of thirty (30) days to review the factual issues relevant to the Contractor which are raised by the audit reports and to comment upon the recommendations.

7.1.4 In the event that the Contractor disputes the findings of any audit then the Dispute Resolution Procedure in Clause 807 shall be invoked.

### 7.2 Action on agreed Non-Compliance

7.2.1 Any agreed non-compliance shall constitute a Default and the Contractor shall at the Contractor's own expense, implement any changes necessary to remedy areas of non-compliance with the terms of the Codified Agreement as identified by POCLs Agents.

### 7.3 Action on Recommendations

7.3.1 POCL may request the Contractor to implement audit recommendations in accordance with the provisions of the Change Control Procedure.

### 7.4 Evidence

7.4.1 The Contractor shall provide, in accordance with the timescales agreed in the implementation plan for any change arising from an audit, evidence, either documentary or demonstrative, of changes required by POCL in accordance with paragraphs 7.2.1 and 7.3.1, and shall, if required, provide access to the representatives of POCL, to permit POCLs Agents to monitor and confirm the implementation of such changes.

## **SCHEDULE A04 - CONTRACT MANAGEMENT**

### **1. OBJECTIVES OF CONTRACT MANAGEMENT**

- 1.1 The objectives of Contract Management in the Codified Agreement are to monitor and manage the delivery of the POCL Services, and to authorise actions which improve those POCL Services, taking account of the provisions relating to change as specified in Clause 101.2.
- 1.2 The sections below detail (without limitation) the specific objectives of key activities that will be undertaken. The significance of the detailed tasks may vary over the life of the Codified Agreement.

### **2. ORGANISATION**

#### **2.1 General**

- 2.1.1 "Management Table" means the table set out in the Annex to this Schedule.
- 2.1.2 The Contractor and POCL shall within one month following execution of this Codified Agreement establish each of the boards (each a "Board") contained in the row headed "Board" of the Management Table.

#### **2.2 Purpose**

- 2.2.1 The purpose of each Board shall be as set out in the row headed "Purpose" of the Management Table in the column for that Board.
- 2.2.2 The meeting secretary of each Board shall record and issue a record of agreed decisions and actions arising out of a meeting of that Board.

#### **2.3 Frequency**

- 2.3.1 The frequency of the meetings of each Board shall be as set out in the row headed "Frequency" of the Management Table in the column for that Board or such other times as that Board may agree.

#### **2.4 Attendees**

- 2.4.1 The attendees of meetings of each Board shall be as set out in the rows headed "POCL Attendees" and "Contractor Attendees" of the Management Table in the column for that Board.
- 2.4.2 In the event that an attendee is unable to attend a Board meeting then the attendee may appoint a substitute to attend that meeting.

2.4.3 The attendees of meetings of each Board may, with both parties' consents (such consent not to be unreasonably withheld or delayed), invite other attendees to such meetings.

2.5 Approvals

2.5.1 Where a Board is required to make a formal decision then such decision shall not be effective unless both the person set out in the row headed "POCL Approval" in the Management Table in the column for that Board and the person set out in the row headed "Contractor Approval" shall have approved such decision in writing.

Annex to Schedule A4

Management Table

Board	Change Control Board	Contract Administration Board	Service Review Board	Contract Steering Group	New Business Board	Release Authorisation Board
Purpose	<p>To agree timescales for processing Change Requests ("CRs") and CCNs.</p> <p>To monitor CRs and CCNs in progress.</p> <p>To review reasons for rejection of CRs and CCNs.</p> <p>To review CCNs.</p> <p>To resolve questions of whether particular changes require CRs or can be handled through operational business change.</p>	<p>To review and agree changes to the contract to implement signed CCNs.</p> <p>To discuss and resolve questions of interpretation of the contract.</p> <p>To agree mechanisms to enable new provisions to be drafted and agreed under CCN.</p> <p>To provide expert advice on drafting of CCNs</p> <p>Contract version control</p> <p>Maintaining lists of current CCDs and CRDs</p> <p>Maintaining list of agreements to agree and their status</p>	<p>To review performance against contracted service levels.</p> <p>To agree remedies payable arising from any failures to meet service levels.</p> <p>To monitor and review operations of operational business change processes.</p> <p>Such other purposes as are set out in the relevant service management schedules.</p>	<p>To review the operation of contract and commercial management processes between the parties.</p> <p>To act as the point of escalation for any commercial issues not resolvable in the Change Control Board, Contract Administration or Service Review Board meetings.</p> <p>To act as the point of escalation for any disputes about the amounts or terms of invoices.</p> <p>To consider any general commercial issues arising from programme activities.</p>	<p>To initiate and monitor progress of development of service definitions and terms and conditions for additions to the contracted services.</p> <p>To approve additions to the contracted services, which will then be formally introduced by CCN.</p>	<p>In relation to any Release, to review readiness reports and decide whether that Release should go into live operation.</p>
Frequency	Fortnightly	As needed - most business likely to be handled by phone and correspondence.	Monthly	At least once per quarter - monthly if required	Monthly if required.	The meeting to decide whether CSR shall be released into live operation, and Roll Out commenced, shall be held within 7 days of the end of the CSR Operational Trial Review Period (as referred to in Schedule B9) and thereafter when any further Release is to be reviewed.



Board	Change Control Board	Contract Administration Board	Service Review Board	Contract Steering Group	New Business Board	Release Authorisation Board
POCL Attendees	<p>Head of Horizon Commercial</p> <p>Head of Design</p> <p>Sponsors of Changes (as appropriate)</p> <p>Head of Prog. Management Office</p> <p>Contract manager</p> <p>Change control manager (acts as meeting secretary)</p>	<p>Head of Horizon Commercial</p> <p>Contract manager</p> <p>(Legal advisor at POCL's option - advance notice to be given of attendance)</p> <p>Meeting secretary</p>	<p>Head of Service Management</p> <p>Others at POCL's discretion (Horizon Commercial Manager will attend if remedies on agenda)</p> <p>Meeting secretary</p>	<p>Horizon Programme Director or Automation Director</p> <p>Horizon Programme Manager</p> <p>Head of Horizon Commercial</p> <p>Commercial Manager</p> <p>Meeting secretary</p>	<p>Head of Horizon Commercial</p> <p>Head of Design</p> <p>Representative from Customer and Network Specification</p> <p>Business Sponsor(s)</p> <p>Contract Manager</p> <p>Commercial Manager</p> <p>Meeting Secretary</p>	<p>Horizon Programme Director or Automation Director, who shall be Chairman</p>
Contractor Attendees	<p>Commercial and Finance Director</p> <p>Contract manager</p> <p>Sponsors of Changes (as appropriate)</p> <p>Change control manager</p>	<p>Commercial and Finance Director</p> <p>Contract manager</p> <p>(Legal advisor at the Contractor's option - advance notice to be given of attendance)</p>	<p>Customer Service Director</p> <p>Others at the Contractor's discretion (Financial Controller will attend if remedies on agenda)</p>	<p>Deputy Managing Director</p> <p>Commercial and Finance Director</p> <p>Financial Controller</p> <p>Customer Service Director</p>	<p>New Business Director</p> <p>Commercial and Finance Director</p> <p>Customer Requirements Director</p> <p>Contract Manager</p> <p>Head of Business Development</p>	<p>Managing Director or his authorised deputy.</p>

Board	Change Control Board	Contract Administration Board	Service Review Board	Contract Steering Group	New Business Board	Release Authorisation Board
POCL Approval	Head of Horizon Commercial or, Horizon Programme Director or Automation Director or Managing Director subject to authority limits to be decided by POCL	Head of Horizon Commercial	Head of Service Management			
Contractor Approval	Managing Director or Commercial and Finance Director subject to authority limits to be decided by the Contractor	Commercial and Finance Director	Customer Service Director			

## **SCHEDULE A05 - CHANGE CONTROL**

### **1. INTRODUCTION**

- 1.1 Amendments and changes to the Codified Agreement shall be made in accordance with the provisions of this Schedule.
- 1.2 Within the context of the following sections of this Schedule the term “change” includes both amendments and changes.
- 1.3 The Change Control Board (CCB) function under this Codified Agreement shall be delivered as defined in Schedule A04.

### **2. PRINCIPLES**

- 2.1 Where POCL or the Contractor identifies the need for a change, then POCL may at any time request a change or the Contractor may at any time recommend a change. Such a request or recommendation may only be made in accordance with the procedures set out below.
- 2.2 Neither POCL nor the Contractor shall unreasonably withhold or delay their agreement to any change or proposal in relation thereto.
- 2.3 [Not used].
- 2.4 Until such time as a change has been fully authorised in accordance with the procedures in this Schedule, POCL and the Contractor shall continue as if the change had not been made.
- 2.5 Any discussions which may take place between POCL and the Contractor on a change before its authorisation shall be without prejudice to the rights of either party.
- 2.6 No change shall be valid until it is authorised in writing by the appropriate level of authority of POCL and the Contractor in accordance with the procedures specified below. No change shall be valid unless and until made in accordance with this Schedule.
- 2.7 Any purported change provided by the Contractor that has not been otherwise agreed in accordance with the provisions of paragraph 2.6 above shall be undertaken entirely at the expense and liability of the Contractor. If so required by POCL, the Contractor shall at its own expense promptly take all steps necessary to reverse and remove the effects of such purported change.

### 3. PROCEDURES

#### 3.1 Standard Change Procedures

3.1.1 Discussions between POCL and the Contractor in relation to a change shall result in any one of the following:

- (a) no further action;
- (b) a request to make a change by POCL's authorised representative (a "Change Request");
- (c) a recommendation to make a change by the Contractor.

3.1.2 Where the Contractor receives a Change Request the Contractor shall unless otherwise agreed submit electronically to the secretary of the CCB a Change Control Note (CCN) within three (3) weeks of the date of receipt of such Change Request.

3.1.3 If the Contractor considers that the preparation of a CCN, requested by POCL, would necessitate allocation of resources in excess of five (5) mandays, the Contractor shall notify POCL accordingly and, on agreement by POCL, the Contractor will make a proposal for a paid study of the cost and implications of producing the required CCN. Pending POCL's acceptance of that proposal or in the event that POCL does not agree that such proposal should be submitted, the Contractor will be relieved of his obligations to produce such CCN.

3.1.4 A recommendation to make a change by the Contractor shall be submitted electronically to the secretary of the CCB in the form of a CCN.

3.1.5 Further impact analysis of the CCN may be carried out by POCL.

3.1.6 For each CCN submitted, POCL shall evaluate the CCN and, as appropriate, during the period of validity:

- (a) request further information;
- (b) notify the Contractor of its rejection of the CCN;
- (c) confirm to the Contractor its acceptance of the CCN; or
- (d) suggest modifications to the CCN.

The period of validity of each CCN shall be the period from the date on which that CCN shall have been submitted to the secretary of the CCB until the date specified in that CCN pursuant to paragraph 3.3.1(k) or such other date as the parties may agree.

3.1.7 In connection with CCNs submitted electronically, the Contractor shall on the date of submission send to the secretary of the CCB two copies of the CCN signed by the Contractor in accordance with paragraph 2.5.1 of Schedule A4.

3.1.8 A CCN shall only be authorised if it shall have been signed by both of the persons referred to in paragraph 2.5.1 of Schedule A4 in respect of the CCB.

### 3.2 Emergency Change Procedures

3.2.1 Emergency situations resulting in POCL requesting a change, or the Contractor recommending a change, shall be dealt with on a case by case basis by the Head of Horizon Commercial and the Commercial and Finance Director of the Contractor, who shall jointly decide in writing whether or not to authorise such change in accordance with paragraph 3.2.

3.2.2 Each change authorised pursuant to paragraph 3.2.1:

- (a) need not comply with paragraphs 3.1.1 to 3.1.6 inclusive;
- (b) shall, before it may be authorised, be set out in a CCN containing the information referred to in paragraph 3.3.1 save that for:
  - (i) paragraph 3.3.1(f), an outline of the change shall be sufficient;
  - (ii) paragraph 3.3.1(i), an outline of the impact referred to therein shall be sufficient; and
  - (iii) paragraph 3.3.1(j), direct (as distinct from consequential) revised wording to the Codified Agreement shall be sufficient; and
- (c) may, for the purposes of paragraph 3.1.7, be sent by fax by the Contractor to POCL's authorised signatory referred to in paragraph 3.1.8.

### 3.3 Content of Change Control Note

3.3.1 Subject to paragraph 3.2, each CCN shall contain:

- (a) the change control number;
- (b) the title of the change;
- (c) a specification of the approvals required for the CCN in accordance with Schedule A4;
- (d) the name of the originator and the date of the request or recommendation for the change;

- (e) the reason for the change;
- (f) full details of the change, including any specifications and user facilities;
- (g) a statement of the cost, if any, to POCL of the change including all non-recurring Charges and any new or amended Charges and, where Charges are to be calculated on a time and materials basis, the estimated time required and the charge out rates and material charges;
- (h) a timetable for implementation together with any proposals for acceptance;
- (i) statement of the impact, if any, of the change on other aspects of the Codified Agreement or POCL Services including but not limited to:
  - i. deliverables;
  - ii. personnel involved;
  - iii. existing timetable;
  - iv. implementation plans;
  - v. security;
  - vi. system support;
  - vii. system management;
  - viii. standards;
  - ix. accommodation/location;
  - x. documentation;
  - xi. Charges and charging mechanism;
  - xii. Service delivery criteria;
  - xiii. POCLs Responsibilities;
  - xiv. contractual issues;
  - xv. risk;
  - xvi. Service Levels;
- (j) proposed revised wording to the Codified Agreement;



- (k) the date for expiry of validity of the CCN;
- (l) provision for POCL to record the progress with dates of the CCN for each stage as follows:
  - i. submitted;
  - ii. evaluated;
  - iii. further information requested;
  - iv. further information received;
  - v. modified CCN received;
  - vi. modified CCN evaluated;
  - vii. approved;
  - viii. rejected; and
- (m) provision for signature by POCL and by the Contractor.

### 3.4 Record Keeping

3.4.1 The Contractor shall retain a record of all Change Control Notes (CCN) raised.

3.4.2 The Contractor shall make the CCN record available on demand to POCL.

3.4.3 The Contractor's CCN record shall include without limitation the following information:

- (a) the CCN number;
- (b) date CCN raised;
- (c) CCN sponsor (i.e. POCL or Contractor);
- (d) the approvals required for the CCN in accordance with Schedule A4;
- (e) changes made pursuant to the CCN.

## 4. EMERGENCY PROCEDURES

4.1 If the Contractor considers that any change is necessary in order for it to comply with its obligations under the Codified Agreement and there is insufficient time to comply with the procedures described above, the Contractor shall be entitled to proceed with

such change, provided that it shall as soon as practicable provide POCL with a CCN for retrospective change. Such change shall be subject to the procedures described in this Schedule, and if POCL, acting reasonably, does not agree to such change, such change shall be invalid and the Contractor shall at its own expense promptly take all steps necessary to reverse and remove the effects of such change.

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## **SCHEDULE A06 - APPROACH TO REMEDIES**

### **1. PURPOSE**

- 1.1 This Schedule sets out the approach to remedies which shall be applicable to all POCL Services.

### **2. GENERAL PRINCIPLES**

- 2.1 The purpose of remedies is that POCL shall not be disadvantaged by failures of the Contractor to provide the POCL Services to the agreed specification and reliability.
- 2.2 Remedies in failure to meet Service Levels are designed so that:
- (a) POCL will not pay for POCL Services which it does not receive or will pay a reduced amount for POCL Services which fail to meet the Service Levels;
  - (b) POCL will be compensated for loss or damage which it incurs as a result of unavailability of POCL Services or POCL Services failing to meet Service Levels;
  - (c) Repeated failure as defined in paragraph 4.4 or serious failure as defined in paragraph 4.5 by the Contractor to provide any POCL Service to the appropriate Service Levels will entitle POCL to terminate the Codified Agreement in accordance with Clause 902.2.
- 2.3 The limits on the Contractor's liability contained in Clause 810 shall apply to financial remedies due in accordance with this Schedule.

### **3. APPLICATION TO SERVICES**

- 3.1 For each POCL Service supplied under the Codified Agreement the relevant Service Levels and Remedies Schedule shall define the measures of Service Levels and remedies.

### **4. SERVICE LEVELS**

- 4.1 There are two (2) Service Level thresholds:
- (a) Minimum Acceptable Threshold;
  - (b) Termination Review Threshold.
- 4.2 Service Levels shall be measured and reported over Service Level Measurement Periods and using metrics defined for each POCL Service. Additionally all levels of service shall be monitored on a weekly and monthly basis and any failure to meet a Service Level shall be reported to POCL detailing the required Service Level and the actual level of service achieved.

- 4.3 In respect of any Service Level Measurement Period when the level of service falls below the threshold in paragraph 4.1(a), POCL shall be entitled to remedies at the end of that period as set out in the relevant Service Level and Remedies Schedule.
- 4.4 Unless specified otherwise in the relevant Service Levels and Remedies Schedule, where the Contractor fails to meet the threshold in paragraph 4.1 (a) for a particular POCL Service for three (3) quarterly Service Level Measurement Periods in any twenty four (24) month period, then POCL may terminate the Codified Agreement in accordance with Clause 902.2. If POCL decides not to exercise its termination rights hereto, then rectification of the Default shall be made in accordance with paragraph 7.
- 4.5 If the level of service fails to meet the threshold in paragraph 4.1 (b) for a particular POCL Service, POCL may terminate the Codified Agreement in accordance with Clause 902.2. If POCL decides not to exercise its termination rights hereto, then rectification of the Default shall be made in accordance with paragraph 7.
5. PAYMENT OF REMEDIES
- 5.1 The remedies due shall be available in the form specified in Clause 802.
6. CALCULATION OF TOTAL COMPENSATION DUE
- 6.1 [not used]
- 6.2 [not used]
- 6.3 The remedies due to POCL from the Contractor in accordance with paragraph 4 are cumulative.
- 6.4 Without prejudice to paragraph 4.4, in the event that a POCL Service meets the threshold in paragraph 4.1 (b) but fails to meet that in paragraph 4.1 (a), the Service Credits and liquidated damages for such failure shall be POCLs exclusive remedy in damages for such failure.
- 6.5 Without prejudice to paragraph 4.4, in the event that a POCL Service fails to meet the threshold specified in paragraph 4.1(b), liquidated damages shall be payable to the extent the POCL Service fails to meet the levels between the thresholds in 4.1 (a) and in 4.1 (b), but not to the extent the POCL Service fails to meet the threshold in paragraph 4.1 (b), in respect of which failure damages at large will be recoverable.
7. RECTIFICATION IN CASE OF SERIOUS FAILURE
- 7.1 In the event that POCL decides not to exercise its rights to termination pursuant to paragraphs 4.4 or 4.5, then the Contractor and POCL shall agree a method of rectification, including a timetable, for the Default. For the avoidance of doubt, the Contractor remains liable for financial remedies in respect of the failure giving rise to

the Default.

- 7.2 In the event that the rectification plan involves a change to the provision of the POCL Services, the procedures set out in Schedule A5 shall apply. For the avoidance of doubt, changes to the provision of the POCL Services made in accordance with this paragraph shall be made at no cost to POCL.
- 7.3 Notwithstanding the provisions of paragraph 7.1, POCL reserves its termination rights in the event of the Contractor and POCL being unable to reach agreement on a rectification plan.
- 7.4 Without prejudice to POCL's general rights to remedies, during the rectification period the Contractor shall maintain the levels for all other POCL Services above the threshold in paragraph 4.1 (a) unless otherwise agreed with POCL as part of the rectification plan.

## SCHEDULE A7 - CONTRACT TERMINATION

### 1. INTRODUCTION

- 1.1 This Schedule covers the responsibilities and payments related to termination of the Codified Agreement. Termination of the Codified Agreement includes:
- (a) termination of the Codified Agreement before its expiry due to Contractor Default;
  - (b) termination of the Codified Agreement before its expiry without Contractor Default;
  - (c) termination of the Codified Agreement at its expiry.
- 1.2 In any of the above termination conditions POCL may seek to obtain the delivery of services equivalent to the POCL Services under the Codified Agreement, either by performing them itself or by means of a replacement contractor.
- 1.3 Where POCL intends to continue the POCL Services after termination, either by performing them itself or by means of a replacement contractor, the Contractor shall use all reasonable endeavours to ensure the smooth transition of the POCL Services and shall co-operate with POCL or the replacement contractor as required in order to fulfil the obligations under this Schedule.
- 1.4 POCL shall notify the Contractor of its intent under paragraph 1.3 of this Schedule no later than one month after the time of notifying the Contractor of termination of this Codified Agreement.

### 2. SERVICES REQUIRED ON TERMINATION

#### 2.1 General

- 2.1.1 On notice of termination of this Codified Agreement the Contractor shall perform the services defined in paragraph 4 of this Schedule.
- 2.1.2 If notice is given under paragraph 1.4 of this Schedule, the Contractor shall, in addition to the services identified in paragraph 4 of this Schedule, perform the services specified in the remainder of this paragraph 2.
- 2.1.3 In performance of such services, the Contractor and POCL shall take into account that all the POCL Services under this Codified Agreement are being terminated or transferred, and the effect that has on the availability of assets for transfer under Clause 903.1.



## 2.2 Training services

- 2.2.1 Once POCL has provided the Contractor with the list of data and assets required for transfer under paragraphs 4.1 and 4.2 of this Schedule, POCL and the Contractor shall enter into good faith negotiations to identify and specify any training requirements related to such transfers.
- 2.2.2 The purpose of such training shall be to enable POCL, or a replacement contractor, to adopt, integrate and utilise the data and assets transferred to deliver an equivalent set of services to the POCL Services being delivered under this Codified Agreement.
- 2.2.3 The Contractor shall produce within one month of notice of termination unless otherwise agreed between the parties, and POCL shall approve:
- (a) a training strategy, which details the required courses and their objectives;
  - (b) training materials (including assessment criteria);
  - (c) a training plan of the required training events.
- 2.2.4 The Contractor shall schedule all necessary resources to fulfil the training plan, and deliver the training as agreed with POCL.

## 2.3 Transfer support activities

- 2.3.1 Where POCL intends to continue services equivalent to any or all of the POCL Services after termination, either by performing them itself or by means of a replacement contractor, the Contractor shall use all reasonable endeavours to ensure the smooth transition from the relevant POCL Services to such equivalent services.
- 2.3.2 The Contractor shall, within one month of notification of the intent to acquire services equivalent to the POCL Services, deliver to POCL for its approval:
- (a) Transition plan
 

A detailed plan of the tasks and responsibilities required to enable the transition to the replacement services. The transition plan shall include, but not be limited to:

    - i. a timetable of events;
    - ii. resources;
    - iii. assumptions;

- iv. activities;
- v. responsibilities.

(b) Interfaces definition

A detailed specification of the interfaces between each POCL Service provided by the Contractor, and between each POCL Service and the POCL Service Environment. This specification shall be sufficient to allow POCL or a replacement contractor to deliver and maintain the replacement services, without loss of functionality, integrity or security.

- 2.3.3 On receipt of the documents identified in paragraph 2.3.2, POCL (or any replacement contractor) and the Contractor shall enter good faith negotiations to approve them, and the commitments defined in them.

3. TERMINATION CHARGE

- 3.1 The Termination Charge is intended to represent a good faith recognition of the loss of revenues the Contractor may reasonably have planned for in establishing the POCL Services and supporting infrastructure (not applicable in case of Default).

- 3.2 Where a Termination Charge is payable to the Contractor, such payment shall be equal to  $X+Y+Z$ , where:

(a) X shall be £543 million less:

- (i) an amount equal to the aggregate of all payments received by the Contractor prior to the date of termination by way of Roll Out Payment. For the avoidance of doubt, sums which are retained by POCL at the date of termination shall not be deemed to have been received by the Contractor for this purpose; and
- (ii) an amount equal to such future costs included within the Roll Out Payment as the Contractor is reasonably able to avoid or mitigate as a result of the early termination; and

- (b) Y shall be equal to the aggregate of all costs associated with the termination or transfer of the POCL Services, including but not limited to the closure of the Contractor's facilities and termination of its personnel, plus any termination charges payable to suppliers and sub-contractors (the Contractor being required to mitigate such exposure); and

- (c) Z shall be an allowance for lost profit, equal to 15% of  $(A+B-C-D)$  where:

A shall be equal to the aggregate of:

- (i) the Periodic Payments for each Operating Fee Period ended prior to the date of termination less the aggregate of all instalments of the Monthly Operating Fee (as defined in paragraph 5.1 of Schedule A12) received by the Contractor prior to the date of termination;
- (ii) the aggregate of the RPI Base Amounts in respect of the Operating Fee Period in which the date of termination falls and each subsequent Operating Fee Period, each multiplied by the sum of one hundred per cent. and the difference, expressed as a percentage of 163.7, between (i) the level of RPI published in respect of the RPI Reference Month for the month in which termination occurs and (ii) the level of RPI published in respect of the RPI Reference Month for May 1999 (being 163.7); and

B shall be equal to the aggregate of all Adjustment Amounts paid to the Contractor pursuant to paragraph 5.8.2 of Schedule A12 in respect of each Operating Fee Period ended prior to the date of termination;

C shall be equal to all Adjustment Amounts deducted pursuant to paragraph 5.8.3 of Schedule A12 in respect of each Operating Fee Period ended prior to the date of termination; and

D shall be equal to the aggregate of all permitted non-payments of, or reductions in, the Monthly Operating Fee accrued prior to the date of termination under paragraphs 5.5, 5.6 and 5.9 of Schedule A12.

All costs shall be determined in accordance with the Contractor's standard accounting practice, supported by proper vouchers and records and verified by the Contractor's auditors.

#### 4. SERVICES ON TERMINATION

##### 4.1 Transfer of data

4.1.1 On notice of termination of the Codified Agreement the Contractor shall, within one month, deliver to POCL:

- (a) an inventory of the POCL Data, plus any other data available for transfer;
- (b) a data structure definition covering all data available for transfer;

- (c) a proposed physical transfer method;
  - (d) a proposed method for testing the integrity and completeness of the data transferred.
- 4.1.2 Within two months or other period agreed by the parties (such agreement not to be unreasonably withheld or delayed) of receiving the Contractor's data transfer proposals as described in paragraph 4.1.1 above, POCL shall notify the Contractor of the data it wishes to be transferred, and POCL and the Contractor shall enter good faith discussions to develop a data transfer plan.
- 4.1.3 No later than five months after the date of notice of termination of the Codified Agreement, the Contractor and POCL shall co-operate in commencing testing and proving the data transfer plan, such that a transfer may be concluded in accordance with the agreed plan.
- 4.2 **Transfer of assets**
  - 4.2.1 On notice of termination of the Codified Agreement the Contractor shall, within one month, deliver to POCL an asset register comprising:
    - (a) a list of all assets eligible for transfer to POCL under the terms of Clause 903.1, and the terms for such transfer in accordance with paragraph 4.3 of this Schedule;
    - (b) a list identifying all other assets, other than human resources, skills and know how, that are ineligible for transfer under Clause 903.1, but which are essential to the delivery of any of the POCL Services. The purpose of each component shall be included in the list.
  - 4.2.2 Within three months of receiving the Contractor's asset register as described in paragraph 4.2.1(a) above, POCL shall notify the Contractor of the assets it wishes to be transferred, and POCL and the Contractor shall enter good faith discussions to develop a plan for asset transfer, covering both passing of title to assets and any physical transfer required.
  - 4.2.3 The Contractor and POCL shall co-operate in transferring the assets in accordance with the plan developed under paragraph 4.2.2 above.
- 4.3 **Transfer Payment**

The Transfer Payment for the purposes of Clause 903.1 of the Codified Agreement shall be as follows:-

  - 4.3.1 if the option under Clause 903.1 is exercised on or after the date on which the final Progress Payment is due pursuant to paragraph 4.3 of Schedule A12 the Transfer Payment shall be £1;

4.3.2 If the option under Clause 903.1 is exercised in circumstances in which a Termination Charge is payable the Transfer Payment shall be £1; and

4.3.3 in all other cases the Transfer Payment shall be an amount equal to  $\frac{A}{B-C} \times D$  where

A = the number of Outlets to which, on the date of termination, Roll Out shall have occurred since the later of:-

- (i) the date of the Codified Agreement; and
- (ii) the time when Roll Out occurred to that Outlet which triggered the entitlement of the Contractor to its most recent Progress Payment under Schedule A12 (or which would have triggered such entitlement had the time in question not occurred prior to the date shown in Column 2 of the table in paragraph 1 of Schedule A12 against the Progress Payment in question);

B = the aggregate number of Outlets to which, on the date of termination, Roll Out is required in order to trigger the entitlement of the Contractor to its next Progress Payment;

C = (a) the aggregate number of Outlets to which Roll Out was required in order to trigger the entitlement of the Contractor to its most recent Progress Payment under Schedule A12 (or which would have triggered such entitlement had the time in question not occurred prior to the date shown in Column 2 of the table in paragraph 1 of Schedule A12 against the Progress Payment in question); or

(b) where at the date of termination, Roll Out has occurred to less than 1,800 Outlets in aggregate, zero; and

D = £90 million.

## CODIFIED AGREEMENT      SCHEDULE A08      RESTRICTED - CONTRACTS

## SCHEDULE A08- SUBCONTRACTORS

1. Pathway's Subcontractors, together with a description of their areas of responsibility, are listed in the following table.

SUBCONTRACTOR	RESPONSIBILITY
Energis Communications Limited	Provision of telecommunications lines and services.
CFM Limited	<ul style="list-style-type: none"><li>- Development of the Contractor's Data Warehouse MIS system, which will record and store the contractual transactions;</li><li>- Operation of TMS system and Client Links Network.</li></ul>
The Escher Group Limited	<ul style="list-style-type: none"><li>- Post Office Counter Automation Network Software and Consultancy;</li><li>- Design and development of RIPOSTE middleware.</li></ul>
ICL Sorbus Limited	<ul style="list-style-type: none"><li>- Provision of maintenance services for OPS hardware;</li><li>- Operation of Horizon System Help Desk and Service Management Centre.</li></ul>
NFC UK Limited, trading as Exel Logistics	Installation of OPS hardware.
Pearce Security Systems Limited	Provision of Post Office site modification work.
ICL Training Services Limited (formerly Peritas Limited)	Provision of awareness and training courses for POCL staff.
Workplace Technologies plc	Provision of Post Office site preparation work.
DSS	Provision of interim OBCS Helpdesk services.



## **SCHEDULE A09 - INITIAL ASSET TRANSFER**

### **1. PURPOSE**

- 1.1 This Schedule sets out the Assets which shall be transferred by POCL to the Contractor.

### **2. POCL TRANSFERRED ASSETS**

- 2.1 None listed.

### **3. TRANSFER DATE (FOR ISDN LINES)**

- 3.1 The Transfer Date for the benefit of the ISDN Agreement for each ISDN line shall be the date on which the Outlet to which that ISDN line is connected shall have been Rolled Out.

## SCHEDULE A10 - ORDERING, INVOICING AND PAYMENT

### 1. Purpose

1.1 This Schedule sets out the procedures for:

- (a) the ordering of POCL Consumables;
- (b) the ordering of Optional Products;
- (c) the ordering of Optional POCL Services;
- (d) the raising and issue of invoices by the Contractor for POCL Consumables, POCL Services and POCL Products;
- (e) payment of all invoices by POCL.

1.2 POCL's preferred method of requesting the Contractor to provide an Optional POCL Service or an Optional Product shall be by written notification in accordance with Clause 202 or Clause 206 of the Codified Agreement. For those Optional POCL Services and Optional Products for which a price is set out or referred to in Part B of Schedule A12 of the Codified Agreement, such written notification shall be in the form of a purchase order raised in accordance with the procedures in this Schedule.

1.3 In the event of Additional POCL Services and Additional Products being identified, the Change Control Procedure shall apply.

### 2. Authorised ordering points

2.1 In the event that POCL shall in future exercise its option to obtain POCL Consumables from the Contractor, POCL shall inform the Contractor of the nominated ordering point(s) for ordering such POCL Consumables.

2.2 The following nominated ordering points shall be authorised to place orders for Optional POCL Services and Optional Products:

The Horizon Programme Director, **GRO**.

### 3. Ordering

3.1 POCL shall be entitled to place purchase orders in respect of the following in accordance with this paragraph 3:

- (a) for POCL Consumables pursuant to Clause 208;
- (b) for Optional Products pursuant to Clause 206;
- (c) for Optional POCL Services pursuant to Clause 202.

- 3.2 The Contractor shall only supply the items listed in paragraph 3.1 above in response to a purchase order raised by the nominated ordering points listed in, or notified for the purposes of, paragraph 2.
- 3.3 The purchase order shall be uniquely numbered and will contain the following information as a minimum:
- (a) product code;
  - (b) product description;
  - (c) unit price;
  - (d) quantity required;
  - (e) order value (excluding VAT);
  - (f) date of order;
  - (g) order reference number;
  - (h) order originator;
  - (i) required delivery date/timetable;
  - (j) delivery point;
  - (k) invoice point.
- 3.4 The Contractor shall use reasonable endeavours to confirm receipt of the purchase order as soon as possible but in any event shall send to the relevant nominated ordering point of POCL written order confirmation of its receipt of the order within fourteen (14) calendar days from the time of its receipt.
- 3.5 The Contractor shall indicate on the order confirmation sent in accordance with paragraph 3.4 either:
- (a) that the order will be actioned as stated;
  - (b) that the order will not be actioned as stated, and that the Contractor will therefore not meet its obligations under Clause 202, 206 or 208 as appropriate.
- 3.6 In the event that the Contractor indicates on the order confirmation that the order will not be actioned as stated, POCL may at its sole discretion by notice in writing to the Contractor agree to any amendment to the order proposed on the order confirmation, in which case any such amendment shall not constitute a breach of the

Contractor's obligations under Clause 202, 206 or 208 (as appropriate). For the avoidance of doubt, no such amendment shall amend or change the Clauses or Schedules hereto, nor seek to exclude the general application of such Clauses and Schedules in relation to the order in question.

**4. Frequency and Timing of invoices**

- 4.1 The Contractor shall raise invoices for the provision of POCL Services charged for pursuant to Schedule A12 or otherwise under this Codified Agreement:
- (a) in the case of each part of the Roll Out Payment, on or following the due date of that part of the Roll Out Payment; and
  - (b) in all other cases, calendar monthly in arrears. For the purposes of this Schedule A10 each calendar month shall constitute an Invoicing Period and each Invoicing Period shall commence on the first (1st) day of the relevant calendar month and end on the last day of that calendar month.
- 4.2 Save for invoices for the Roll Out Payment (or part thereof), the Contractor shall submit invoices for POCL Services charged for pursuant to Schedule A12 or otherwise under the Codified Agreement to the relevant invoicing point within fourteen (14) calendar days of the end of the Invoicing Period.
- 4.3 The Contractor shall raise invoices for any Optional POCL Services or Optional Products for which a price is set out or referred to in Part B of Schedule A12 of the Codified Agreement, in accordance with the charging mechanism and payment schedule agreed for those particular Optional POCL Services or Optional Products.
- 4.4 The Contractor shall raise invoices for POCL Consumables following the acceptance of the POCL Consumables by POCLs designated delivery point.
- 4.5 Notwithstanding the above, invoicing in respect of further releases of Software to which Clause 301.10.2 applies shall be dealt with as agreed by the parties at the time.

**5. Invoice Design**

- 5.1 The Contractor shall invoice separately for POCL Services, POCL Consumables and Optional Products.
- 5.2 The Contractor shall only submit invoices which conform to the design agreed with POCL. The Contractor shall ensure that the invoice design conforms to the Customs and Excise requirements for VAT purposes. POCL may at any time require the invoices to be submitted in electronic form.

- 5.3 The Charges on each invoice shall be exclusive of VAT and the VAT shown as a separate amount and the prevailing rate expressed in percentage terms. The total sum payable inclusive of VAT must also be shown.
- 5.4 On POCL Service invoices, the Contractor shall separately identify the Charges for Core System Services and Charges for each Optional POCL Service on each invoice raised.
- 5.5 The Contractor shall include, as a minimum, the following information on each POCL Service invoice submitted:
- (a) invoice date;
  - (b) such purchase order number as may have been supplied by POCL to the Contractor;
  - (c) Invoicing Period;
  - (d) the Contractor's address and reference number for ACT purposes;
  - (e) the Contractor's VAT number
  - (f) the POCL invoice address;
  - (g) the total charge per POCL Service;
  - (h) Service Credits applied;
  - (i) discounts for early invoice settlement;
  - (j) other adjustments made.
- 5.6 The Contractor shall include, as a minimum, the following information on each Optional Product & POCL Consumables invoice submitted:
- (a) invoice date;
  - (b) the purchase order number;
  - (c) the Contractor's address and reference number for ACT purposes;
  - (d) the POCL invoice address;
  - (e) the delivery point;
  - (f) the delivery date;

- (g) description of goods supplied;
- (h) quantity of goods supplied
- (i) unit price of goods supplied;
- (j) total invoice value excluding VAT;
- (k) VAT charged;
- (l) total invoice value.

In addition, the Contractor shall provide to POCL together with such invoice, a goods received notice (GRN) in respect of the goods to which such invoice relates.

- 5.7 In addition to paragraph 5.5, the Contractor shall include, as a minimum, on each invoice for Operational Business Change those additional invoice details set out in the Operational Business Change Catalogue.

## 6. Application of Service Credits

- 6.1 Each Invoice in respect of Charges payable under Schedule A12 or otherwise pursuant to the Codified Agreement shall be calculated as follows:

- (a) calculate the gross Charges due in respect of the period to which the Invoice relates; then
- (b) adjust for any remedies due to POCL in accordance with Clause 802.2 of the Codified Agreement; then
- (c) adjust for any credits due to POCL and for any remedies carried forward from previous invoices in accordance with paragraph 6.2.

- 6.2 In the event that remedies due in respect of any Invoicing Period equal or exceed the gross Charges for that Invoicing Period, then POCL shall make no payment in respect of the invoice relating to that Invoicing Period. Unless POCL exercises its option under Clause 802.2 of the Codified Agreement to recover liquidated damages as a payment to it, then any balance of remedies due to POCL shall be carried forward and the adjustment to the first and subsequent interim invoices in respect of the following Invoicing Period shall take account of such carried forward remedies.

## 7. Final Year Retention

- 7.1 For the penultimate and pre-penultimate invoices in the final quarter of the Codified Agreement, the Contractor shall:



- (a) submit to POCL documentation supporting 100% (one hundred percent) of the Charges payable in accordance with this Schedule; and
  - (b) submit to POCL an invoice equal to 80% (eighty percent) of the Charges calculated in accordance with sub-paragraph (a) above.
- 7.2 POCL shall pay to the Contractor the value of the invoice submitted in accordance with sub-paragraph 7.1(b) plus VAT at the prevailing rate.
- 7.3 The final invoice for the final Financial Year of the Codified Agreement shall include:
  - (a) a calculation of all moneys outstanding to the Contractor (including the retentions referred to in paragraph 7.1(b));
  - (b) less any adjustments in respect of discounts and remedies;
  - (c) plus an amount equal to interest on the amounts retained pursuant to paragraph 7.1 at a rate per annum equal to LIBOR plus 1 per cent for the periods of the retentions;
  - (d) plus VAT at the prevailing rate.
- 7.4 POCL shall pay to the Contractor the value of the invoice submitted in accordance with paragraph 7.3.
- 8. Invoicing point
  - 8.1 The Contractor shall submit invoices relating to POCL Services to the following address:

The Horizon Commercial Manager, GRO
  - 8.2 The Contractor shall submit invoices relating to Optional Products and POCL Consumables to the following address:

The Invoice Matching Section, GRO
- 9. Payment of invoices
  - 9.1 The Horizon Commercial Manager shall review the invoices and shall authorise valid invoices for payment.
  - 9.2 Payment of Charges in relation to the POCL Services performed hereunder shall be made:

- (i) in the case of each Progress Payment, by the later of (a) thirty days of that Progress Payment falling due and (b) twenty-three days after receipt by POCL (at its nominated address for invoices) of a valid invoice for that Progress Payment;
  - (ii) in the case of that part of the Roll Out Payment of £68 million payable on CSR Acceptance of the Core System pursuant to paragraph 1 of Schedule A12, by the later of (a) thirty days of such payment falling due and (b) twenty-three days after receipt by POCL (at its nominated address for invoices) of a valid invoice for such payment;
  - (iii) in the case of payments to which Clause 301.10.2 applies, as agreed by the parties at the time; and
  - (iv) in the case of other amounts, within thirty days after receipt by POCL (at its nominated address for invoices) of a valid invoice for such amounts.
- 9.3 Payments will be made by POCL to the Contractor by Automated Credit Transfer (ACT) unless otherwise specified by POCL.
10. Disputes arising from invoices
- 10.1 In the event of any dispute arising from an invoice submitted by the Contractor to POCL, then the Contractor and POCL will make reasonable endeavours to resolve the dispute within fifteen (15) calendar days of the invoice date.
- 10.2 If the dispute is not resolved within fifteen (15) calendar days of the invoice date, either the Contractor or POCL may escalate the dispute to the Contractor's Contract Manager or to the POCL Horizon Commercial Manager respectively for discussion at the next meeting of the Contract Steering Group which meeting may be convened by either party on seven days' notice. In such cases the party escalating the dispute shall inform the other that the invoice dispute is to be discussed at the meeting.
- 10.3 In the event that an invoice dispute cannot be resolved via the Contract Steering Group meeting, either party to the dispute may invoke the Dispute Resolution Procedure set out in Clause 807.

## SCHEDULE A11 - ACCEPTANCE PROCEDURES-

### ACCEPTANCE PROCEDURE FOR CORE SYSTEM

#### 1. ACCEPTANCE TESTING

1.1 The Acceptance Procedure for Acceptance of the Core System ("CSR Acceptance") shall be as set out in this Schedule.

1.2 In respect of CSR Acceptance there will be agreed:-

- (i) a set of Acceptance Criteria;
- (ii) a set of Acceptance Specifications (the "CSR Acceptance Specifications") as described in Annex 1 to this Schedule;
- (iii) a set of Acceptance Tests (the "CSR Acceptance Tests") being Acceptance Trials or Acceptance Reviews as described in Annex 1 to this Schedule;
- (iv) an Acceptance timetable including, inter alia, a CSR Core Observation Period;
- (v) a Final Deadline for CSR Acceptance; and
- (vi) a CSR Operational Trial Review Period (being the three week period immediately following the end of the CSR Core Observation Period).

1.3 For the purposes of paragraph 1.2 above:-

- 1.3.1 all Acceptance Specifications have been agreed and are contained in the CCNs listed in Annex 2 to this Schedule; and
- 1.3.2 the Acceptance timetable for CSR shall be consistent with Schedule B09 and the Final Deadline for CSR Acceptance and the CSR Operational Trial Review Period shall be as set out in Schedule B09.

#### 2. REQUIREMENTS FOR CSR ACCEPTANCE

2.1 Subject to any extension pursuant to paragraph 2.4 of this Schedule CSR Acceptance will occur once:-

- (i) the CSR Acceptance Tests have been carried out successfully;
- (ii) the CSR Core Observation Period and the CSR Operational Trial Review Period have expired;

- (iii) the thresholds referred to in paragraph 2.2 of this Schedule have been met as at the end of the CSR Core Observation Period taking into account all substantive faults raised by POCL beyond those defined in the CSR Acceptance Specifications, as described in paragraph 7.1(d) of this Schedule; and
- (iv) a timetable has been agreed between the parties to resolve all outstanding faults falling within the category described in paragraph 7.1(b) of this Schedule ("category (b) faults").

2.2 The thresholds will not be met if in respect of CSR Acceptance there are:

- (i) one or more high severity deficiencies as categorised in paragraph 7.1(a) of this Schedule ("category (a) faults");
- (ii) more than 20 category (b) faults; or
- (iii) more than 10 category (b) faults in respect of any one CSR Acceptance Specification.

2.3 It is acknowledged that if a CSR Acceptance Test is repeated following corrective work by the Contractor, POCL shall have the right to test for and raise new faults which may be caused by that corrective work or may come to light only as a result of that corrective work.

2.4 It is agreed that, notwithstanding the provisions of paragraph 2.1 of this Schedule, if at the end of the CSR Core Observation Period all CSR Acceptance Tests have been carried out and the thresholds referred to in paragraph 2.2 of this Schedule have not all been met, POCL shall permit the Contractor to repeat the relevant CSR Acceptance Tests in the two week period following the end of the CSR Core Observation Period provided that POCL is given sufficient opportunity to review the results of such CSR Acceptance Tests to its reasonable satisfaction prior to the end of the CSR Operational Trial Review Period.

2.5 Subject to paragraph 2.3 of this Schedule, once all Acceptance Tests have been successfully carried out and the CSR Core Observation Period has expired, no new Acceptance Incidents may be raised. For this purpose, a "new Acceptance Incident" is an Acceptance Incident which had not occurred before the end of the relevant CSR Core Observation Period and does not include Acceptance Incidents which occurred before the end of the CSR Core Observation Period but were not reported until after that date, provided always that POCL shall report to the Contractor an Acceptance Incident within seven days of the relevant POCL test manager identifying or being notified of the same.

2.6 If, at the end of the CSR Operational Trial Review Period the parties do not agree as to whether the Core System Release should be accepted, the provisions of paragraph 6 of this Schedule shall apply.

### 3. CONSEQUENCES OF FAILURE TO ACHIEVE CSR ACCEPTANCE

- 3.1 If CSR Acceptance is not achieved at the end of the CSR Operational Trial Review Period the Contractor shall be entitled to a period of three months in which to remedy the defaults, which (subject to paragraph 6.9 of this Schedule) it shall do at its own expense. Upon the expiry of that period, or at such earlier date as the parties shall agree, the Core System Release shall be re-submitted in its entirety for Acceptance testing (the "Second CSR Acceptance Test").
- 3.2 If CSR Acceptance is not successfully achieved at the end of the Second CSR Acceptance Test then POCL shall have the right to terminate the Codified Agreement, but without prejudice to all other remedies available to POCL under the Codified Agreement and otherwise and without prejudice to paragraph 3.3 of this Schedule.
- 3.3 Schedule L5 of this Codified Agreement (liquidated damages to a maximum of 13 weeks of delay) shall apply on failure to achieve CSR Acceptance by 30th September, 1999 and on failure to achieve the CS Completion Date by 31st March, 2001 (as such date is adjusted to reflect any delay in CSR Acceptance), in both cases where such delay is due to Default by the Contractor.
- 3.4 If CSR Acceptance has not been achieved by the Final Deadline for CSR Acceptance as listed in Schedule B09 then POCL shall be entitled to serve a notice upon the Contractor under this paragraph, whereupon the Contractor shall be deemed to have failed the Second CSR Acceptance Test in accordance with paragraph 3.2 of this Schedule.

### 4. CONSEQUENCES OF ACHIEVING CSR ACCEPTANCE

Upon Acceptance of the Core System Release the Release Authorisation Board shall decide whether or not to authorise national rollout of the Core System.

### 5. APPOINTMENT OF EXPERT

- 5.1 The parties have agreed to appoint an expert (the "Expert") as soon as reasonably practicable to assist in resolving disputes relating to CSR Acceptance.
- 5.2 The Expert shall be Peter Copping of PA Consulting or, if he has a conflict of interest or is unavailable, such other partner of PA Consulting as shall be:
- (i) qualified to resolve such disputes;
  - (ii) independent of both parties; and
  - (iii) approved by both parties, such approval not to be unreasonably withheld.

5.3 In the event that no other partners of PA Consulting shall be available and meet the Criteria in paragraphs 5.2(i) and (ii) above, the Expert shall be appointed at the request of POCL or the Contractor by the President for the time being of the Institute of Electrical Engineers so long as such appointee shall meet the criteria in paragraphs 5.2(i) and (ii) above.

5.4 The Expert shall act as an expert and not an arbitrator and his fees shall be borne by the parties in equal shares.

## 6. ACCEPTANCE DISPUTES

6.1 If paragraph 2.6 of this Schedule applies and/or POCL and the Contractor do not agree on:

- (i) the CSR Acceptance Specifications;
- (ii) whether an event or occurrence is an Acceptance Incident; or
- (iii) the assigned severity of an Acceptance Incident;

the parties will refer such dispute (the "Dispute") to the Expert to obtain initial guidance. The parties do not expect that the identification and notification of the Dispute, reference of the Dispute to the Expert and obtaining his initial guidance should take longer than seven days.

6.2 Once the Expert has given to the parties his initial guidance on the Dispute, the Managing Director of POCL and the Commercial Director of ICL shall meet and attempt to resolve the Dispute with the advice and guidance of the Expert.

6.3 If the Dispute is not resolved during the meeting pursuant to paragraph 6.2 above, then the Expert shall be required to make a decision (the "Decision") as to how the Dispute should be resolved.

6.4 Once the Decision has been made, the Managing Director of POCL and the Commercial Director of ICL shall meet to review and respond to the Decision.

6.5 The Decision shall be binding unless vetoed by POCL in accordance with paragraph 6.6 below.

6.6 POCL may veto the Decision if:

- (a) POCL disagrees with the Decision and provides to the Contractor written reasons for such disagreement; and
- (b) asserts a Veto Ground (as defined in paragraph 6.8 of this Schedule).

6.7 If POCL vetoes the Decision, the Managing Director of POCL and the Commercial Director of ICL shall meet and attempt to resolve the Dispute. If



they fail to resolve the Dispute within three working days of either party requesting a meeting for that purpose then the Chief Executives of the Post Office and of ICL shall meet and attempt to resolve the Dispute. However, unless and until otherwise agreed, the veto will stand.

6.8 Each of the following shall be a Veto Ground, namely if the issue:-

- (i) materially affects POCL's ability to settle with clients in a timely and accurate way;
- (ii) materially affects POCL's ability to transact with sub-postmasters in a timely and accurate way;
- (iii) is likely to materially and adversely affect POCL customers in areas covered by service level agreements;
- (iv) materially affects critical operational processes necessary for the running of POCL;
- (v) materially compromises the integrity of Post Office accounting systems;  
or
- (vi) is likely to lead to the qualification of Post Office accounts or those of its subsidiary companies.

6.9 If POCL vetoes a Decision and that Decision was in favour of the Contractor then sub-paragraph 3.1 of this Schedule shall apply save that the direct costs of and associated with such extra work as shall be required as a consequence of the exercise of the veto shall be dealt with in accordance with paragraph 6.10 of this Schedule. If, but for POCL vetoing a Decision in favour of the Contractor, CSR Acceptance would have been achieved, and the Acceptance Test in question was the Second CSR Acceptance Test, it shall be deemed to have been the first.

6.10 The direct costs of and associated with the extra work referred to in paragraph 6.9 of this Schedule shall initially be borne by POCL. However, POCL shall be entitled to refer the Expert's decision in relation to the Dispute to an arbitrator in accordance with paragraphs 6.11 and 6.12 of this Schedule. If the arbitrator rules in favour of POCL in respect of the Dispute then the Contractor shall, within seven days of the arbitrator's decision, refund to POCL the amount so borne by POCL, together with interest thereon from the date when the Dispute was referred to the arbitrator until the date of payment thereof at a commercial rate determined by the arbitrator.

6.11 Any matter referred to arbitration by POCL pursuant to paragraph 6.9 of this Schedule shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce ("ICC") by one arbitrator appointed in

accordance with the said rules (or under such other arbitration procedure as the parties shall agree).

- 6.12 The place of arbitration shall be London, the governing law of the arbitration shall be English and the language of the arbitration shall be English.

## 7. ACCEPTANCE DEFICIENCIES

- 7.1 The Contractor shall analyse each Acceptance Incident in accordance with the guidelines defined in the relevant Acceptance Specification, and categorise each Acceptance Incident within the following principles:

- (a) failure to meet an Acceptance Criterion essential to the Deliverable or POCL Service shall be designated a high severity deficiency;
- (b) failure to meet an Acceptance Criterion which is highly desirable for the Deliverable or POCL Service shall be designated a medium severity deficiency;
- (c) failure to meet an Acceptance Criterion which is desirable for the Deliverable or POCL Service shall be designated a low severity deficiency;
- (d) an Acceptance Incident which does not relate to an Acceptance Criterion, but which identifies a failure to meet any other obligation under this Codified Agreement and, in the reasonable opinion of POCL, represents a substantive fault equivalent to, and categorised according to, part (a), (b) or (c) of this paragraph; or
- (e) none of the above.

- 7.2 Other than for category (e) above, the analysis of an Acceptance Incident shall not of itself be sufficient to resolve the Acceptance Incident. Resolution of an Acceptance Incident shall only occur when the deficiency or fault has been corrected by the Contractor and the relevant parts of the Acceptance Test have been repeated without further category (a), (b) or (c) Acceptance Incidents arising.

- 7.3 POCL may, at its sole discretion and in accordance with Clause 612, waive in writing the resolution of an Acceptance Incident and deem it resolved.

Annex 1 to Schedule A11

1. ACCEPTANCE TESTS

An Acceptance Test shall take the form of one or more Acceptance Trials as defined in paragraph 2 of this Annex, one or more Acceptance Reviews as defined in paragraph 3 of this Annex, or combinations thereof.

2. ACCEPTANCE TRIALS

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

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

2.2 The scope and conduct of any Acceptance Trial proposed shall be documented in the Acceptance Specification and the Acceptance Trial shall not commence until the Acceptance Specification has been approved by POCL.

3. ACCEPTANCE REVIEWS

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

- (a) inspection of a Deliverable (e.g. a document) by one or more competent reviewers nominated by POCL;
- (b) inspect by one or more competent reviewers nominated by POCL of documentary evidence that a POCL Service has been provided;
- (c) a meeting between POCL and the Contractor at which one or more of the following occur:
  - i. Deliverables or documentary evidence are inspected;
  - ii. a presentation is given by the Contractor;
  - iii. the results of prior inspections, visits or presentations are reviewed and the outcome agreed

- 3.2 The scope and conduct of any Acceptance Review proposed shall be documented in an Acceptance Specification and the Acceptance Review shall not commence until the Acceptance Specification has been approved by POCL.

Annex 2 to Schedule A11

CCNs Containing Agreed Acceptance Specifications for CSR

0338

0340

0342

0343

0344

0345

0346

0361

0362

0370

0378

0379

0380

0381

0382

0383

0388

0458

**SCHEDULE A12 - CHARGING MECHANISM****PART A - CORE SYSTEM CHARGES****1. Roll Out Payment**

The Contractor shall be paid the Roll Out Payment subject to and in accordance with this Schedule. Of this Roll Out Payment, £480 million shall be paid in four equal Progress Payments (subject to paragraph 7.2 and to retention described below), one Progress Payment to become due on each of the dates set out in column 2 of the table below or, if later, upon achieving Roll Out to the cumulative number of Outlets set out against that date in column 1 and the final Progress Payment to become due in accordance with paragraph 4.3 of this Schedule A12.

1. Cumulative number of Outlets in the Roll Out Programme	2. Date
1,800	1/11/1999
5,590	1/5/2000
10,680	1/11/2000

The remaining £68 million of the Roll Out Payment (in addition to the £480 million described above) will be payable to the Contractor in accordance with Schedule A10 on CSR Acceptance.

A retention of 25% shall be withheld from each Progress Payment (prior to the application of paragraph 7.2 below).

**2. First Availability Fee**

Upon the later of (i) approval by the Release Authorisation Board of CSR+ and (ii) 1 January, 2001, the sums retained on the first two Progress Payments (the "First Retention Sum") shall be converted into an availability fee (the "First Availability Fee") to be paid as described below.

At the end of each calendar month following conversion of the First Retention Sum, POCL shall (subject to paragraph 3.3 below) be due to pay to the Contractor in respect thereof an amount equal to the First Retention Sum divided by the lesser of 48 and the number of months from the date of such conversion to 31 March 2005 until the full amount of the First Retention Sum is paid.



3. Second Availability Fee

- 3.1 Following the end of the first period of three consecutive months occurring after the CS Completion Date during which in each month the Contractor shall have achieved Service Levels which relate to the performance (as opposed to the operation) of the Core System which exceed the Termination Review Thresholds (as referred to in Schedule A06) the sums retained on the third and fourth Progress Payments (the "Second Retention Sum") shall be converted into a further availability fee (the "Second Availability Fee") to be paid as described below.
- 3.2 At the end of each calendar month following such conversion of the Second Retention Sum, POCL shall (subject to paragraph 3.3 below) be due to pay to the Contractor in respect thereof an amount equal to the Second Retention Sum divided by the lower of 48 and the number of months from the date of such conversion to 31 March 2005 until the full amount of the Second Retention Sum is paid.
- 3.3 If in the event that after nine months following the CS Completion Date, completion of National Roll Out (by reference to the Roll Out Programme as the same may be amended through change control) has not been achieved, then retentions from the First and Second Availability Fees will be made in accordance with paragraph 3.4 below.
- 3.4 The amount of the retention to be made pursuant to paragraph 3.3 from each monthly payment in respect of the First and Second Availability Fees shall be whichever is the lesser of:-
- 3.4.1 the whole of the monthly payment; and
- 3.4.2 such amount as would bring the total amount withheld to the Relevant Percentage of £19 million.
- 3.5 If, on any date on which payment of any monthly payment in respect of any Availability Fee shall be due, the net amount of all retentions made pursuant to paragraph 3.4 less those released pursuant to this paragraph 3.5 exceeds the Relevant Percentage of £19 million then POCL shall on that date refund to the Contractor the difference.
- 3.6 For the purpose of this paragraph 3, "Relevant Percentage" shall mean, in respect of any date when any monthly payment in respect of any Availability Fee shall be due, a percentage equal to the number of Outlets remaining to be installed as at close of business on the day falling five business days prior to that date, expressed as a percentage of the number of Outlets which remained to be installed, as at the CS Completion Date, in order to achieve National Roll Out.
- 3.7 Upon completion of National Roll Out the remaining balance of the amounts retained pursuant to paragraph 3.3 shall be released in full to the Contractor.

4. Progress Payments

- 4.1 All Progress Payments to the Contractor will be made in accordance with Schedule A10.
- 4.2 In the event that Acceptance of the Core System is delayed as a result of the Default of POCL then payment of the next Progress Payment following the delay will be adjusted in accordance with Clause 606.2 of the Codified Agreement .
- 4.3 The final Progress Payment will be due on the date of completion of National Roll Out or, if National Roll Out has not been completed by 31 March, 2001, on the later of 31 March, 2001 and the CS Completion Date.
- 4.4 In the event that, as a result of the Default of POCL, any date in the Roll Out Programme is not met then the relevant Progress Payments will be adjusted in accordance with Clause 606.2 of the Codified Agreement.
- 4.5 For the avoidance of doubt, transition costs associated with converting existing Benefits Agency customers with benefit payment cards back to order books have not been taken into account in calculating the charges set out in this Schedule.

5. Operating payments

- 5.1 For the purposes of this paragraph 5:

“Adjustment Amount” means, in respect of each Operating Fee Period, an amount equal to the difference between the Periodic Payment for that Operating Fee Period and the Adjusted Periodic Payment for that Operating Fee Period;

“Adjusted Periodic Payment” means, in respect of each Operating Fee Period, the RPI Base Adjusted Amount for that Operating Fee Period multiplied by the RPI Factor for that Operating Fee Period;

“Monthly Operating Fee” has the meaning ascribed thereto in paragraph 5.3 below;

“Operating Fee Period” means each of the periods contained in column 1 of the table set out in paragraph 5.2 below;

“Periodic Payment” means, in respect of each Operating Period, the amount set out against that Operating Period in column 2 of the table set out in paragraph 5.2 below;

“RPI Base Adjusted Amount” means, in respect of each Operating Fee Period, the RPI Base Amount for that Operating Fee Period multiplied by the RPI Base Adjustment Factor.

“RPI Base Adjustment Factor” means, in respect of each Operating Fee Period, A divided by B where:

A = the Periodic Payment for that Operating Fee Period after adjusting for all permitted non-payments, reductions and adjustments accrued in respect of that Operating Fee Period under paragraphs 5.5, 5.6 and 5.9 of Schedule A12; and

B = the Periodic Payment for that Operating Fee Period;

“RPI Base Amount” means, in respect of each Operating Fee Period, the amount set out against that Operating Fee Period in column 3 of the table set out in paragraph 5.2 below;

“RPI Factor” means, in respect of each Operating Fee Period, a percentage equal to the sum of:

- (i) 100%; plus
- (ii) the difference, expressed as a percentage of 163.7, between the level of RPI in respect of the RPI Reference Month for May, 1999 (163.7) and the level of RPI in respect of the RPI Reference Month for the last month in that Operating Fee Period;

“RPI Reference Month” means, in respect of any month, the month commencing three calendar months before the beginning of that month (so that, for example, the RPI Reference Month for December, 2001 shall be September, 2001); and

“87% Date” means the date on which Roll Out shall have taken place in 87 per cent. of all Outlets then planned to be installed under Part A of the Roll Out Programme (as updated from time to time pursuant to the Change Control Procedure).

## 5.2 The Table

1. Operating Fee Period	2. Periodic Payment	3. RPI Base Amount
1/4/2001 - 31/12/2001	£63.0m	£59.1m
1/1/2002 - 31/12/2002	£85.0m	£77.8m
1/1/2003 - 31/12/2003	£87.0m	£77.7m
1/1/2004 - 31/12/2004	£81.0m	£70.6m
1/1/2005 - 31/3/2005	£21.0m	£18.1m

## 5.3 In addition to the Roll Out Payment referred to in paragraph 1 above, subject to the remaining sub-paragraphs of this paragraph 5, further payments with respect to operating the Core System (the “Monthly Operating Fee”) shall be made on a

monthly basis from 1 April, 2001 in accordance with this paragraph 5. The Monthly Operating Fee in respect of each Operating Fee Period shall be calculated by dividing the Periodic Payment for that Operating Fee Period by the number of months in that Operating Fee Period.

- 5.4 The Monthly Operating Fee shall be payable in accordance with Schedule A10.
- 5.5 If by 31 March, 2001 the CS Completion Date shall not have been achieved but the 87% Date shall have been achieved then in respect of each month which falls before the CS Completion Date the Monthly Operating Fee shall be reduced by multiplying it by the fraction equal to the number of Outlets in respect of which Roll Out shall have taken place by the end of that month divided by the number of Outlets in respect of which Roll Out is required in order for the CS Completion Date to be achieved.
- 5.6 If by 31 March, 2001 the 87% Date shall not have been achieved then the Monthly Operating Fee shall not commence until the month in which the 87% Date is achieved.
- 5.7 For the avoidance of doubt, reimbursement to the Contractor of all operating and maintenance costs incurred prior to the Monthly Operating Fee becoming payable is included within the Roll Out Payment referred to above.
- 5.8 The Periodic Payments assume an RPI of 2.5% per annum from 24th May, 1999 until 31st March, 2005. In the event that RPI is not equal to 2.5% per annum over this period the Monthly Operating Fee shall be subject to adjustment at the end of each Operating Fee Period as follows:
- 5.8.1 Prior to issue of the invoice relating to the Monthly Operating Fee payable in respect of the final month in each Operating Fee Period the Contractor shall calculate:-
- (a) the aggregate of all Monthly Operating Fees paid or payable by POCL in respect of that Operating Fee Period;
  - (b) the RPI Factor in respect of that Operating Fee Period;
  - (c) the RPI Base Adjusted Amount in respect of that Operating Fee Period;
  - (d) the Adjusted Periodic Payment in respect of that Operating Fee Period;  
and
  - (e) the Adjustment Amount in respect of that Operating Fee Period
- and shall, with the invoice for that final month, send to the Horizon Commercial Manager at POCL details of those calculations.

5.8.2 If in respect of any Operating Fee Period the Adjusted Periodic Payment is greater than the Periodic Payment then the Monthly Operating Fee in respect of the final month in that Operating Fee Period shall be increased by an amount equal to the Adjustment Amount for that Operating Fee Period.

5.8.3 If in respect of any Operating Fee Period the Adjusted Periodic Payment is less than the Periodic Payment then the Monthly Operating Fee in respect of the final month in that Operating Fee Period shall be reduced by an amount equal to the Adjustment Amount for that Operating Fee Period.

5.9 The parties acknowledge that with effect from the CS Completion Date the Monthly Operating Fee includes:

- (i) a Transaction volume cost element of 7%, which is based upon the Transaction volume forecast as set out in Annex 2 to this Schedule; and
- (ii) an Outlet cost element of 32%, which is based upon the parties' intention that the Contractor will roll out the Core System to 18,527 Outlets.

The amount of the Transaction volume cost element shall be adjusted for each month by multiplying it by the proportion which the actual Transaction volume (calculated in accordance with Annex 3 to this Schedule 4) in respect of that month bears to the Transaction volume forecast in respect of that month (ascertained by dividing by 12 the annual forecast for the relevant year set out in Annex 2 to this Schedule A12).

The Outlet cost element shall be adjusted for each month by multiplying it by the proportion which the average number of Outlets to which Roll Out had occurred during that month (calculated by adding the number of Outlets to which Roll Out had occurred on the last day of that month to the number to which Roll Out had occurred on the last day of the immediately preceding month and dividing by two) bears to 18,527.

5.10.1 In respect of the following Outlets Roll Out shall take place under the Operational Business Change regime (subject to paragraph 5.10.2), namely:-

- (a) those Outlets in Part B of the Roll Out Programme; and
- (b) those Outlets in Part A of the Roll Out Programme in respect of which, after the Outlet has been made ready for installation, circumstances arise (other than as a result of Default by the Contractor or where such Outlet requires a Mobile Counter Configuration which has not been made available by the Contractor to the reasonable satisfaction of POCL) which make it impractical to complete such installation prior to 12 February, 2001.

5.10.2 The cost of installation of Outlets as Operational Business Change as referred to in paragraph 5.10.1 is included in the Roll Out Payment (but without prejudice to the provisions of paragraph 6.1 of, and Annex 4 to, this Schedule A12) and shall be disregarded for the purposes of calculating other charges payable from time to time



in respect of Operational Business Change, except, in each case, where the work carried out in respect of the Outlet takes place after the end of the week commencing 14 May, 2001 (other than where the delay in carrying out such work arises as a result of Default by the Contractor or where such outlet requires a Mobile Counter Configuration which had not been made available by the Contractor to the reasonable satisfaction of POCL). Where the aforesaid exception applies the Contractor may be required to carry out the relevant work as Operational Business Change but subject to the normal Operational Business Change charges applicable to that work.

5.10.3 Subject to paragraph 5.10.4, Outlets which are transferred to the Operational Business Change regime under paragraph 5.10.1 will be taken into account in calculating the total number of Outlets at which installation of counter equipment is to take place for the purpose of determining whether POCL is entitled to make a retention, or required to refund any retention, under paragraph 3 of Part A of Schedule A12.

5.10.4 Where pursuant to paragraph 5.10.1(b) above an Outlet becomes subject to the Operational Business Change regime and by 30 June, 2001 POCL shall have failed to instruct the Contractor to schedule that Outlet for installation of counter equipment by 30 November, 2001 then (except where such failure is as a result of a Default by the Contractor or where such Outlet requires a Mobile Counter Configuration which shall not have been made available by the Contractor to the reasonable satisfaction of POCL):

- (a) that Outlet will cease to be taken into account in calculating the number of Outlets requiring to be installed for the purpose of determining whether POCL is entitled to make a retention, or required to refund any retention, under paragraph 3 of Part A of Schedule A12; and
- (b) the Contractor shall not be obliged to carry out the installation of counter equipment in that Outlet under paragraph 5.10.2 above, but may be required to do so as Operational Business Change, subject to the normal Operational Business Change charges applicable to that work.

5.11 The above Charges are based on the POCL Services comprised in the Core System Release. For the avoidance of doubt the payments cover all the Contractor's costs relating to all aspects of the Core System, including without limitation maintenance of the POCL Service Infrastructure, help desk support, all telecoms charges including line costs and usage charges, and Management Information Systems.

## 6. Infrastructure programme in Outlets

6.1 In respect of the cost of site preparations in and modifications to Outlets, the Contractor and POCL have agreed (i) a budget and contributions thereto and (ii) the allocation of responsibility as to which party is to bear the cost of actual costs exceeding budget costs as set out in Annex 4 to this Schedule.



- 6.2 In addition the Contractor will provide flat screens in all non-crown post offices for no additional charge.
- 6.3 The reasonable costs of maintaining power supply at National Lottery node post offices are to be borne by the Contractor.
7. In office data migration and training credit
  - 7.1 POCL and the Contractor shall comply with their respective obligations in relation to in-office data migration set out in the Migration Specification.
  - 7.2 In consideration for POCL agreeing to carry out the work referred to in paragraph 7.1 above:-
    - 7.2.1 the first Progress Payment referred to in paragraph 1 of this Schedule A12 shall be reduced by £500,000 and each of the three subsequent Progress Payments shall be reduced by £1,500,000;
    - 7.2.2 Pathway shall provide to POCL 25 training courses (excluding refresher courses) in accordance with the Migration Specification; and
    - 7.2.3 Pathway shall provide to POCL 25 laptops in accordance with the Migration Specification.
  - 7.3 Each training course in addition to the 25 training courses referred to in paragraph 7.2.2 which POCL may require Pathway to provide shall be charged at a rate of £6,345 per initial course and £2,135 per refresher course.
  - 7.4 Subject to paragraph 7.5, each laptop in addition to the 25 laptops referred to in paragraph 7.2.3 which POCL may require Pathway to provide shall be charged at a rate of £1,285 per laptop.
  - 7.5 To the extent that POCL reasonably requires more than 25 laptops in order to comply with its obligations under paragraph 7.1 as a result of the distribution of ECCO + Outlets in the Roll Out Programme, then Pathway shall provide to POCL such additional laptops at no additional charge.
  - 7.6 The Contractor shall provide training for POCL staff and sub-postmasters in the use of the Core System in accordance with CCN 286(d), as modified to take account of the removal of the Benefit Payment Card and to provide POCL with training to a value equivalent to the costs saved under CCN 286(d) as a result of the removal of the Benefit Payment Card.

PART B - CHARGES FOR SERVICES AND PRODUCTS OTHER THAN CORE SYSTEM SERVICES8. Optional POCL Services8.1 Operational Business Change

POCL shall pay for the cost of the Contractor carrying out Operational Business Change in excess of the limits set out in Annex 5 to this Schedule A12 on an incremental basis at marginal cost plus 10 per cent. Prices for such Services and for other Services which are to be treated as Operational Business Change shall be agreed by the parties as soon as practical in accordance with the principles set out in the Operational Business Change Catalogue.

8.2 Out of Hours Support (Site Visits)

Out of Hours Support (site visits) shall be charged at the hourly rates set out in the table below.

Period	Rate per person/hour From 01/01/1999 (RPI Baseline)
Outside POCL Core Day	£58.55
Saturdays and Sundays	£69.19
Public holidays	£79.84
Call-out charge	£106.45

8.3 Training post Roll Out and turnover training

Training provided by the Contractor post National Roll Out and turnover training shall be charged at the following rates:-

Training	Charge from 01/01/1999 (RPI Baseline)
Counter staff training	£ 1,541 per course (maximum of ten (10) delegates)
Systems manager training	£ 2,055 per course (maximum of four (4) delegates)
Remedial visits	£822 per Outlet, plus expenses

9. POCL Client Services

The operational element of POCL Client Services provided by the Contractor shall be charged at the Contractor's marginal running costs.

10. Additional POCL Services

Charges for Additional POCL Services shall be as agreed between POCL and the Contractor from time to time.

11. Core System Products

The costs of supply of Core System Products are included within the Charges referred to in Part A of this Schedule A12.

12. Optional Products

The Charges for Optional Products shall be the manufacturer's recommended list prices from time to time less the following discounts:-

Product	Discount
Back-office printer	20%
Counter printer	40%
PC including 8 port card and NT, with/without ISDN card & software	40%
Keyboard	40%
Bar code reader	40%
Monitor with touch screen	40%

## 13. Electrical Wiring

Electrical wiring carried out by the Contractor pursuant to Clause 406.2 of the Codified Agreement or in connection with Operational Business Change shall be charged in accordance with whichever of the following is the relevant measured term book for such work, plus 15 per cent.:-

- Luckins (latest edition)
- Trade Service Information (latest edition)
- Prestige ESP 5 Estimating Package.

Where such rates are not applicable, charges shall be calculated on a time and materials basis as follows:

Item	Charge From 01/01/99 (RPI Baseline)
Electrical labour, normal working hours	£31.93 per hour
Materials	Cost to the Contractor's subcontractor plus 30%

## 14. Time and Materials Rates

Wherever in the Codified Agreement or any of its schedules Services are to be supplied by the Contractor on a time and materials basis, the following rates will apply, a working day being classified as 09.00-17.30 Monday to Thursday and 09.00-17.00 on Friday:

Professional services	Rate per working day From 01/01/1999 (RPI Baseline)
Software engineer	£798
Project Manager	£958
Senior Consultant (1)	£1,277
Senior Consultant (2)	£1,685
Senior Management	£1,926

The above charges will be subject to discounts for continuous periods of at least six months, based on a five (5) day working week excluding public and bank holidays. Travel and subsistence will be chargeable separately.

Where further releases of Core System software are provided by the Contractor on the basis of appropriate time and material charges pursuant to Clause 301.10 of the Codified Agreement:

- (a) POCL shall also reimburse to the Contractor all expenses directly incurred by the Contractor in connection with such further releases; and
- (b) such charges shall be invoiced monthly in arrears.

15. Adjustment to Charges

The Charges in paragraphs 8.2, 8.3, 13 and 14 shown as being from 01/01/1999 shall be subject to increases with effect from 01/01/2000 and annually thereafter during the term of this Codified Agreement. Such increases will be capped at the percentage increase in RPI as measured by comparison to the RPI index of twelve months earlier eg. the increase applied with effect from January 2000 would be capped at the difference between the All Items RPI Index at December 1998 and December 1999 (the percentage increase to be applied shall be taken to two decimal places).

ANNEX 1 TO SCHEDULE A12Roll Out ProgrammePart A

Week Commencing      Number of Outlets (inc. live trial)

Already rolled out	299
23/08/99	22
30/08/99	44
06/09/99	64
13/09/99	94
20/09/99	165
27/09/99	188
04/10/99	205
11/10/99	205
18/10/99	203
25/10/99	203
01/11/99	203
08/11/99	203
15/11/99	203
22/11/99	203
29/11/99	0
06/12/99	0
13/12/99	0
20/12/99	0
27/12/99	0
03/01/00	0
10/01/00	153
17/01/00	305
24/01/00	305
31/01/00	305
07/02/00	305
14/02/00	305
21/02/99	305
28/02/00	305
06/03/99	305
13/03/00	306
20/03/00	306
27/03/00	306
03/04/00	306
10/04/00	306
17/04/00	244
24/04/00	244
01/05/00	244
08/05/00	306
15/05/00	306
22/05/00	306
29/05/00	244
05/06/00	306



12/06/00	306
19/06/00	306
26/06/00	306
03/07/00	306
10/07/00	306
17/07/00	306
24/07/00	306
31/07/00	306
07/08/00	306
14/08/00	306
21/08/00	306
28/08/00	244
04/09/00	306
11/09/00	306
18/09/00	306
25/09/00	306
02/10/00	306
09/10/00	306
16/10/00	306
23/10/00	306
30/10/00	306
06/11/00	306
13/11/00	306
20/11/00	306
27/11/00	306
04/12/00	289
11/12/00	0
18/12/00	0
25/12/00	0
01/01/01	0
08/01/01	263
15/01/01	236
22/01/01	219
29/01/01	194
05/02/01	181
Sub total	<u>17,797</u>

<u>Part B</u>	
<u>Outlets to be Rolled Out under</u>	
<u>Operational Business Change</u>	
Week Commencing	Number of Outlets
12/02/01	155
19/02/01	136
26/02/01	117
05/03/01	80
12/03/01	50
19/03/01	36
26/03/01	26
02/04/01	24
09/04/01	22
16/04/01	20
23/04/01	18
30/04/01	17
07/05/01	15
14/05/01	14
Sub total	<u>730</u>
National Roll Out Total	<u>18,527</u>

Annex 2 to Schedule A12

Transaction Volumes

*OBCS volumes are volumes through Horizon only and are included in the Orderbook Transactions. All others are totals, whether through Horizon or not.*

Millions	Year Commencing April 1						
	1999	2000	2001	2002	2003	2004	2005
Orderbook Transactions	775.8	749.8	696.8	611.6	251.9	7.3	0.0
Girocheque Transactions	52.0	52.0	48.9	43.9	18.4	0.5	0.0
EPOSS and APS	1337.0	1404.0	1313.0	1297.0	1265.0	1170.0	0.0
Total	<u>2,164.8</u>	<u>2,205.8</u>	<u>2,058.7</u>	<u>1,952.5</u>	<u>1,535.3</u>	<u>1,177.8</u>	<u>0.0</u>
OBCS	154.0	353.0	627.0	588.1	242.1	7.0	0.0

### ANNEX 3 TO SCHEDULE A12

#### Transaction Metrics for Charges

It is proposed that transactions should be counted for charging purposes according to the following rules. The default is that 1 customer-facing transaction in reference data = 1 chargeable transaction. The following are the main exceptions:

Transaction items: 1 chargeable transaction per transcash item. For the avoidance of doubt, there will be no chargeable transaction associated with the fee payable on the transcash item.

Postal orders: 1 chargeable transaction per customer session, regardless of number of postal orders sold. For the avoidance of doubt, there will be no chargeable transaction associated with the fee(s) payable on the postal order(s). Where postal stamps are sold to make up the odd amount of a postal order value (e.g. the 27p of a postal order of value £35.27), these stamps will be counted as a chargeable transaction in accordance with the metrics for postal stamps (see below).

Phone cards: Sales of phone cards of the same denomination to be rolled up within a customer session. For example, if a customer buys 2 x £2.00 cards this would be 1 chargeable transaction; however if the customer buys 1 x £2.00 and 1 x £5.00 cards this would be 2 chargeable transactions.

Saving stamps: 1 chargeable transaction per client, per customer session regardless of the quantity and combination of saving stamp values sold. For example, if a customer buys 1 x £2.00 and 2 x £5.00 British Gas saving stamps and 2 x £2.00 BBC licence stamps this would result in 2 chargeable transactions.

Postage stamps: Sales of postage stamps within a customer session to be rolled up into 1 chargeable transaction regardless of quantity and combinations of stamps sold. For the avoidance of doubt, postage stamps includes definitive and special issue stamps of all values, stamp books and postage-paid stationery. It does not include other postal products such as datapost or special delivery. For example, if a customer buys 2 x 1st class, 42p of other postage, 3 x stamp books (10 x 2nd class) and a book of 10 x 1st class stamps, this would be 1 chargeable transaction.

Because it is recognised that the volumes of postage stamp sales in the Workload Brief is subject to statistical uncertainty in deriving the average value of transactions, the charges will if necessary be adjusted retrospectively as follows:

- The actual average value of stamp sales per transaction will be calculated by dividing the total value of stamp sales recorded on POCL by the number of customer sessions in which stamp sales were recorded.
- The intended average value of stamp sales will be calculated as £2.51 multiplied by the average RPI for the relevant invoicing year and divided by the average RPI for the year ending February 1996.

- The adjusted amount payable for postage stamp sale transactions will be calculated by multiplying the charges by the actual average value and dividing by the intended average value, any under or over payment will be included as an adjustment to the next monthly invoice.
- An adjustment factor, to apply in all Operating Fee Periods, will be calculated at the end of the first Operating Fee Period based on the previous 12 months' data.

Retail items sold over the post office counter: Charged as 1 transaction per line, i.e. 1 item of each of 2 different lines = 2 transactions, 2 of the same line = 1 transaction.

Entry of sales not transacted on the POCL Service Infrastructure: i.e. postshop, vending, lottery etc. Charged as 1 transaction per batch entry for each product (e.g. 60 lottery ticket sales and 60 vending items = 2 transactions).

Reversals: Where transactions are subsequently reversed, the transaction itself will be chargeable as usual, the reversal will not be chargeable, and any related fresh transaction will be chargeable.

Use of scales: A price look-up for postage items using the scales link or by manually keyed input will not count as a separate transaction.

Premium Mails Services: Each item requiring separate entry will count as 1 transaction (e.g. posting 3 datapost packages which require separate recording). Where items are entered as multiples (e.g. posting 2 parcels of the same weight with recorded delivery to the same zone) these will count as a single transaction.

Scales, premium services, and postal order transactions are additional to any related sale of postage stamps, but no more than 1 postage stamp sale will be recorded per customer session regardless of the use of those stamps.

Order Book Transactions: Each encashed foil shall count as a separate transaction.

Girocheques: Each Girocheque encashed shall count as a separate transaction.

**ANNEX 4 TO SCHEDULE A12****Management of Site Preparation and Modification Costs****1. Contractor Responsibilities**

The Contractor will be responsible for all site preparation and modification costs (the "infrastructure programme") other than those covered by the POCL contributions pursuant to paragraph 2 of this Annex and for which POCL is to be responsible pursuant to paragraph 3 of this Annex.

In this Annex, "Modified Total Infrastructure Costs" means the total costs incurred under the infrastructure programme (excluding payments made or to be made by POCL pursuant to paragraph 3 of this Annex).

**2. Contributions**

- 2.1 Of the first £34 million of the Modified Total Infrastructure Costs, the Contractor will pay £29 million and POCL will pay £5 million.
- 2.2 The £5 million which POCL is required to pay pursuant to paragraph 2.1 of this Annex is to be phased over time in proportion to the number of Outlets made ready for installation. The Contractor and POCL acknowledge that of this £5 million, £512,267 has been allocated to meeting the costs of aborts, suspends and revisits, relating to site preparation and surveys at any Outlet, and £39,147 has been allocated to meeting the costs of out of hours work for standard sub-post offices (excluding the 100 largest standard sub-post offices) relating to site preparation and modifications, together totalling £551,414.
- 2.3 If the agreed forecasts of the Modified Total Infrastructure Costs exceed £34 million, POCL will pay the next £4 million, such payment to be phased pro rata to the number of Outlets installed.
- 2.4 If the Modified Total Infrastructure Costs exceed £38 million POCL and the Contractor will determine the approximate number of weeks which will be required to complete the infrastructure programme, and POCL will pay a further £1 million phased on a weekly basis evenly over the period so determined for the forecast completion of the infrastructure programme.
- 2.5 If, on the NR Completion Date, the Modified Total Infrastructure Costs are:
  - 2.5.1 less than or equal to £34 million, the Contractor will pay POCL by way of refund £4 million;
  - 2.5.2 greater than £34 million but less than or equal to £38 million, the Contractor will pay POCL by way of refund an amount equal to £38 million less the Modified Total Infrastructure Costs;



- 2.5.3 greater than £38 million but less than or equal to £39 million, the Contractor will pay to POCL by way of refund an amount equal to £39 million less the Modified Total Infrastructure Costs; and
- 2.5.4 greater than £39 million, the Contractor will not be obliged to make a payment to POCL by way of refund in respect of the Modified Total Infrastructure Costs.

Any payment to be made by the Contractor to POCL pursuant to this paragraph shall be made within 30 days of the NR Completion Date.

### 3. POCL Excess Costs

#### 3.1 Records

The Contractor shall keep and make available appropriate records to verify:

- (a) those costs of the infrastructure programme which are to be borne by POCL; and
- (b) the Contractor's forecasts of the Modified Total Infrastructure Costs referred to in paragraph 2.3 of this Annex.

#### 3.2 Electrical work

The Contractor shall bear the costs of supplying and installing the necessary equipment and carrying out the necessary electrical work for new distribution boards and earthing in the first 10,000 Outlets in which there is a requirement for such distribution board or earthing work to be carried out. Thereafter POCL shall bear such costs in accordance with paragraph 13 of Schedule A12. (Without prejudice to POCL's obligation to bear such costs, an estimated cost to POCL of £1.1 million for such work has been derived from an estimate that such work will be required in altogether 14,273 Outlets and that such work in the final 4,273 of such Outlets will cost on average £257 per Outlet.)

In all cases the Contractor will take responsibility for co-ordinating with the regional electricity board to carry out final connections to the power supply. Any charges levied by the regional electricity board will be charged to POCL.

#### 3.3 Cost thresholds

- 3.3.1 In respect of any Outlet to be modified, where the estimated cost of modification work (excluding site preparation work) does not exceed the threshold (the "Cost Threshold") for that Outlet set out below based on the number of counter positions in that Outlet, namely:
  - (i) one counter position - £2,500 per counter;

- (ii) two counter positions - £1,800 per counter; and
- (iii) three or more counter positions - £1,200 per counter

then the Contractor shall carry out the modification work in accordance with the Roll Out Programme.

3.3.2 In respect of any Outlet to be modified, where the estimated cost of modification work (excluding site preparation, survey and re-survey work) exceeds the Cost Threshold for that Outlet then:

- (a) the Contractor shall promptly notify POCL in writing of the Financial Accounting Division ("FAD") code, the name and the location of that Outlet, the number of counter positions at that Outlet, the estimated cost of modification work and a scope of the proposed works; and
- (b) the Contractor shall not carry out any modification work for that Outlet without the prior written consent of POCL pursuant to paragraph 3.3.3 of this Annex and on receipt of such consent shall carry out the type of modification specified by POCL.

3.3.3 Following receipt by POCL of a written notice from the Contractor pursuant to paragraph 3.3.2(a) of this Annex, POCL shall, in respect of an Outlet with:

- (a) four or more counter positions, determine whether or not to modify that Outlet, and what modifications are to be carried out within the scope of modifications to which the estimated costs relate;
- (b) exactly three counter positions, determine whether that Outlet is to:
  - (i) be relocated to new premises or premises refurbished by POCL or its sub-contractors so that such refurbished premises shall require no modifications and not more than standard site preparation;
  - (ii) have its number of counter positions reduced to two; or
  - (iii) be modified as is; and
- (c) exactly one or two counter positions, determine whether that Outlet is to be:
  - (i) closed;

- (ii) relocated to new premises or refurbished by POCL or its sub-contractors so that such refurbished premises shall require no modification and not more than standard site preparation; or
- (iii) modified as is

and notify the Contractor of such decision in accordance with paragraph 3.3.4 of this Annex.

3.3.4 In the case of an Outlet which POCL wishes to be dealt with in accordance with:

- (a) paragraphs 3.3.3(a), 3.3.3(b)(ii), 3.3.3(b)(iii) or 3.3.3(c)(iii) of this Annex, POCL shall use its reasonable endeavours to notify the Contractor of such decision within four working days of the date of receipt by POCL of the notice relating to that Outlet from the Contractor pursuant to paragraph 3.3.2(a) of this Annex. If POCL does not notify the Contractor within such notice period, POCL shall be liable to the Contractor for the additional costs which the Contractor shall have incurred solely as a result of modification work at that Outlet being done later than had been originally scheduled but excluding all costs arising out of the Contractor failing to notify POCL promptly pursuant to paragraph 3.3.2(a) of this Annex; and
- (b) paragraphs 3.3.3(b)(i), 3.3.3(c)(i) or 3.3.3(c)(ii) of this Annex, POCL shall provide Pathway with sufficient notice as is consistent with the operational requirements of the infrastructure programme.

3.3.5 In respect of Outlets to which paragraph 3.3.2 of this Annex applies, the parties have assumed that:

- (a) all four counter position Outlets will be modified;
- (b) the numbers of three counter position Outlets modified pursuant to each sub-paragraph of paragraph 3.3.3(b) of this Annex shall be equal; and
- (c) the numbers of one or two counter position Outlets modified pursuant to each sub-paragraph of paragraph 3.3.3(c) of this Annex shall be equal.

3.3.6 POCL shall bear those reasonable costs in respect of the Outlets to be modified which exceed the Cost Threshold. POCL shall also bear those reasonable costs that may arise and shall benefit from any savings that may arise as a result of any of the assumptions in paragraph 3.3.5 of this

Annex being incorrect. Any such benefit shall be credited to POCL in the invoice for the calendar month in which the POCL decision giving rise to that benefit shall have been made.

3.4 Aborts, Suspend and Revisits and Out of Hours Work at Standard Sub-Post Offices

3.4.1 Of the costs of site preparation aborts, suspends and revisits at any Outlet, and the costs of out-of-hours work at standard (i.e. non-franchise) sub-post offices (excluding the 100 largest standard sub-post offices), which exceed £551,414 as referred to in paragraph 2.2 of this Annex POCL shall bear such of those costs as are specified in paragraph 3.4.2 of this Annex.

3.4.2 The costs referred to in paragraph 3.4.1 of this Annex which are to be borne by POCL are:

- (a) the costs of aborts, suspends or revisits which are caused by POCL or its sub-postmasters or franchisees and are recorded as such on the implementation programme database;
- (b) that proportion of the cost of aborts, suspends or revisits based on the extent of responsibility of POCL to the overall responsibility as agreed by POCL and the Contractor, or failing such agreement as agreed by the Programme directors of POCL and the Contractor, or failing such agreement POCL and the Contractor will bear such costs equally. POCL will not be responsible for the costs of the suspension of offices that are classified as no fixed counters ("NFC"); and
- (c) the cost of out-of-hours work due to any standard sub-post office (other than the 100 largest standard sub-post offices) not permitting continuous access between 8.00 a.m. and 6.00 p.m. on weekdays (excluding bank holidays) or not permitting work to be done in accordance with the CCD entitled "Mitigating Disruption in Post Offices During Preparation Activities".

3.5 Other excess site preparation costs

POCL shall bear those costs of out of hours work and revised (at POCL's request) processes as compared with what is stated in the CCD entitled "Mitigating Disruption in Post Offices During Preparation Activities" for site preparation for the 100 largest standard sub-post offices, all branch offices and franchise offices, which exceed £715,876.

ANNEX 5 to Schedule A12 - PHYSICAL, TECHNICAL & SERVICE LIMITS

Row	SERVICE	LIMIT	CONDITIONS
	OPS		
1.	Number of Outlets and geography	20,000 maximum at any one time during the term of the Codified Agreement, subject to the rates of change contained in row 2 of this table and the limit on counter positions in row 3.	GB & Northern Ireland, excluding:  Channel Islands  Isle of Man  BFPO  Other territories
2.	Post Offices: <ul style="list-style-type: none"><li>• relocated or opened,</li><li>• closed (and not relocated)</li></ul>	1.6% per annum  1.0% per annum	
3.	Counter positions	39,750 maximum	This includes counter positions in training centres, without a separate limit for these. If Counter positions are required in excess of the limits contained in this Annex, POCL may procure these as Optional POCL Services under Operational Business Change, the pricing of equipment to be by reference to the pricing of Optional Products.
4.	Counter configurations	39,750 maximum	Including: workstations, screens, slip/receipt printers and keyboards/MSR/SCR

Row	SERVICE	LIMIT	CONDITIONS
5.	Mobile Counter Configurations	250 at any one time during the term of the Codified Agreement	This relates to notebook computer based counter configurations which are designed to be removed and stored away from the service position (not to be confused with standard computer configurations on trolleys or in vans)
6.	Back Office PC's	1,000 maximum	
7.	A4 Printers: <ul style="list-style-type: none"><li>• Laser</li><li>• Inkjet</li></ul>	4,000 maximum  18,570 minus the number of Laser printers	If the number of Outlets is increased beyond 18,527 in accordance with the limit and conditions in row 1 of this table POCL may procure an equivalent number of additional printers as Optional POCL Services, the pricing of equipment to be by reference to the pricing of Optional Products.
8.	Users to be trained during Roll Out Programme	72,000 maximum	
9.	Documentation: <ul style="list-style-type: none"><li>• Releases</li><li>• Emergency updates</li></ul>	2 per annum  A4, 1pp, 12 per annum	



SCHEDULE A13

GUARANTEE

(Clause 1004)

DATED [            ] 1999

ICL PLC

- to -

POST OFFICE COUNTERS LTD

DEED OF GUARANTEE

THIS DEED is made the [            ] day of [            ] 1999

BETWEEN

- (1) ICL PLC whose registered office is at 26 Finsbury Square,  
London EC2A 1DS ("the GUARANTOR") in favour of
- (2) POST OFFICE COUNTERS LTD whose registered office is situated  
at Gavrelle House, 2-14 Bunhill Row, London EC1Y 8HQ  
("POCL").

WHEREAS

- (A) This Deed is supplemental to the Codified Information  
Technology Services Agreement for Bringing Technology to Post  
Offices dated [            ] 1999 between POCL and ICL Pathway  
Limited ("the CONTRACTOR") (the "Codified Agreement").
- (B) The services to be provided by the CONTRACTOR to POCL under  
the Codified Agreement are critical to the accomplishment of  
the statutory functions and business objectives of POCL.
- (C) POCL would not have entered into the Codified Agreement  
without a satisfactory guarantee being provided by the

GUARANTOR of the CONTRACTOR's obligations and liabilities thereunder.

NOW, THEREFORE, in consideration of POCL entering into the Codified Agreement, the GUARANTOR hereby guarantees to POCL as follows:-

1. If the CONTRACTOR fails fully and punctually to perform its obligations under the Codified Agreement or commits any breach of its obligations under the Codified Agreement which is not remedied in accordance therewith, the GUARANTOR unconditionally undertakes that upon demand by POCL in accordance with Clause 3 hereof it shall:

1.1 subject to the provisions of Clause 810 of the Codified Agreement, indemnify and maintain POCL indemnified against all losses, damages, costs and expenses (including court costs and legal fees on a solicitor and own client basis) which may be incurred by POCL arising out of all and any such failures or breaches, but only to the extent that the CONTRACTOR is liable for the same under the Codified Agreement;

1.2 as a separate and independent obligation and as primary obliger, be responsible for and hereby guarantee

to POCL the due performance by the CONTRACTOR of the CONTRACTOR's obligations under the Codified Agreement; and

1.3 as a separate and independent obligation and as primary obliger, fully, punctually and specifically perform the CONTRACTOR's obligations under the Codified Agreement which are not performed as a result of the Default of the CONTRACTOR thereunder. The GUARANTOR shall perform, fulfil and observe all terms, warranties and representations in the Codified Agreement which are not performed as a result of the Default of the CONTRACTOR thereunder as if the Codified Agreement were directly entered into by the GUARANTOR and POCL.

PROVIDED THAT in no event shall the liability of the GUARANTOR to POCL hereunder be greater than the liability of the CONTRACTOR to POCL under the Codified Agreement, and provided further that any limitation on the liability of, and any defences available to, the CONTRACTOR under the Codified Agreement shall be available to the GUARANTOR hereunder.

2. POCL shall have no greater rights under this Deed of Guarantee in relation to the CONTRACTOR's obligations under the Codified Agreement than it has under the Codified Agreement.

3. Any demand under this Deed of Guarantee shall be in writing, addressed to the registered office of the GUARANTOR and accompanied by a statement identifying the nature of the claim by POCL, and shall be copied to the CONTRACTOR at its registered office or such other address as the GUARANTOR has from time to time notified to POCL as being an address for the receipt of such demands.

4.1 The GUARANTOR shall not be discharged or released from the Deed of Guarantee by any arrangement made between the CONTRACTOR and POCL without the assent of the GUARANTOR or by any amendment to or termination of the Codified Agreement or by any forbearance or indulgence whether as to payment, time, performance or otherwise granted by POCL in relation thereto.

4.2 The obligations of the GUARANTOR under this Deed of Guarantee may not be assigned or subcontracted in whole or in part without the express written authority of POCL. For the avoidance of doubt, and without prejudice to the generality of the foregoing provisions of this Clause 4.2, the obligations of the GUARANTOR under Clauses 1.2 and 1.3 hereof may be sub-contracted if agreed in accordance with this Clause 4.2.



5. This Deed of Guarantee shall be a continuing security and accordingly it shall:

5.1 not be discharged by any partial performance (except to the extent of such partial performance) by the CONTRACTOR of its obligations under the Codified Agreement, and

5.2 extend to cover the unperformed part of the obligations of the CONTRACTOR from time to time under the Codified Agreement.

6. The obligations of the GUARANTOR under this Deed of Guarantee are those of primary obliger and such obligations exist irrespective of any total or partial invalidity, illegality or unenforceability of the Codified Agreement. POCL shall not be obliged before taking steps to enforce this Deed of Guarantee against the GUARANTOR to obtain judgment against the CONTRACTOR or the GUARANTOR or any third party in any Court, or to make or file any claim in a bankruptcy or liquidation of the CONTRACTOR or any third party, or to take any action whatsoever against the CONTRACTOR or the GUARANTOR or any third party (other than serving a copy of the notice of demand upon the CONTRACTOR in accordance with Clause 3 above).

7. The GUARANTOR warrants that it is either a company or a body corporate duly organised and validly existing under the laws of England with limited liability and has all power and authority to enter into and perform the obligations contemplated by this Deed of Guarantee to be performed by it and that this Deed of Guarantee constitutes a legal, valid and binding obligation.

8. All sums payable by the GUARANTOR under this Deed of Guarantee shall be paid without any set-off, lien or counterclaim, deduction or withholding, howsoever arising.

9. None of the liabilities or obligations of the GUARANTOR under this Deed of Guarantee shall be impaired or discharged by the winding up, amalgamation, reconstruction or reorganisation of the GUARANTOR or the CONTRACTOR (or the commencement of any of the foregoing).

10. If any provision of this Deed of Guarantee is held invalid, illegal or unenforceable for any reason by any Court of competent jurisdiction, such provision shall be severed and the remainder of the provisions hereof shall continue in full force and effect as if this Deed of Guarantee had been executed with the invalid, illegal or unenforceable provision eliminated.

11. This Deed of Guarantee shall be governed by and construed in all respects in accordance with the laws of England and the parties hereby submit to the non-exclusive jurisdiction of the Courts of England in respect of any dispute which may arise between the parties concerning this Deed of Guarantee.

12.1 In the event that there shall, in the reasonable opinion of POCL occur a material adverse change in the financial condition of the GUARANTOR by comparison with such a financial condition as at the date of this Deed of Guarantee, which change in financial condition could reasonably be expected to have an adverse effect on the ability of the GUARANTOR to perform its obligations under the Deed of Guarantee, then the GUARANTOR shall, if so required by POCL in writing, procure that there is provided to POCL an Acceptable Additional Guarantee. Such an Acceptable Additional Guarantee shall be provided within one (1) month after POCL requires the provision of the same. For the purposes of this Clause, an "Acceptable Additional Guarantee" shall be a guarantee of the obligations of the GUARANTOR under this Deed of Guarantee given in favour of POCL which:

- (a) is given by an entity acceptable to POCL which has a financial condition at least as good as that of the GUARANTOR as at the date of this Deed of Guarantee; and

(b) is substantially in the form of this Deed of Guarantee with such amendments as POCL shall reasonably require to take account of the identity and place of incorporation of, and any other factors relevant to, the new guarantor.

Any such Acceptable Additional Guarantee shall be in addition to and not in substitution for this Deed of Guarantee.

12.2 In the event that there shall, in the reasonable opinion of POCL, occur a material adverse change in the financial condition of any person liable as guarantor under an Acceptable Additional Guarantee by comparison with such financial condition as at the date of the relevant Acceptable Additional Guarantee, which change in financial condition could reasonably be expected to have an adverse effect on the ability of the relevant party to perform its obligations under the applicable Acceptable Additional Guarantee, then the GUARANTOR shall, if so required by POCL in writing, procure that there is provided to POCL a further Acceptable Additional Guarantee from another entity. Any such Acceptable Additional Guarantee shall be provided within one (1) month after POCL requires the provision of the same.

12.3 Any failure by the GUARANTOR to provide an Acceptable Additional Guarantee in accordance with the provisions of this

Clause shall be treated as a Default by the CONTRACTOR entitling  
POCL to terminate the Codified Agreement pursuant to Clause  
902.2.2 thereof.

IN WITNESS whereof the GUARANTOR has caused this instrument to be  
executed as a Deed the day and year first before written.

SIGNED and DELIVERED for and on behalf of ICL PLC

By:.....

Name:

and

By:.....

Name:

(  
in the presence of:

Name:.....

Title:.....

## SCHEDULE A14- CONTRACTOR'S KEY PERSONNEL

## 1. PATHWAY BOARD

- 1.1. The Pathway board has been set up under the chairmanship of Sir Michael Butler with board representatives from ICL.

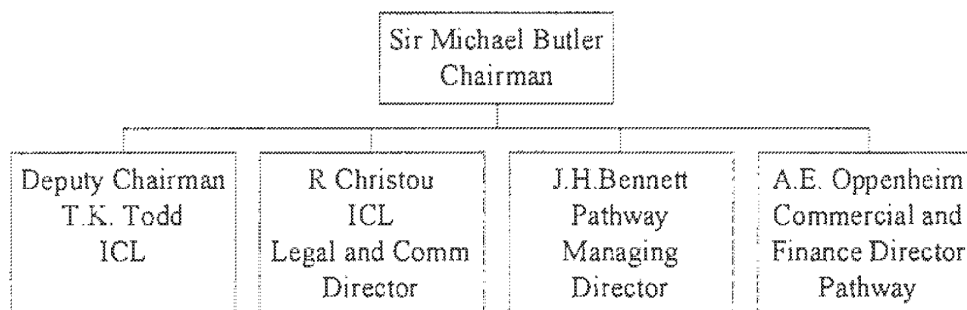
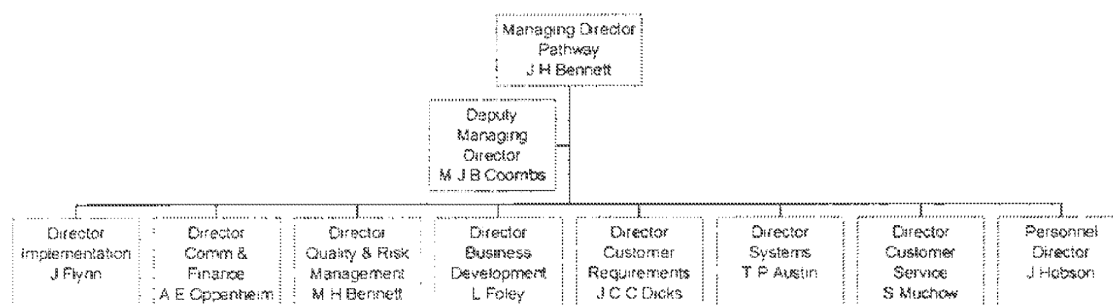


Fig 1 - The Pathway Board

## 2. PATHWAY MANAGEMENT TEAM

- 2.1. The Pathway team is in place. The management structure has been agreed and the positions filled. The structure of the team is as follows :

Fig. 2 - The Pathway Management Board



## 3. EXPERIENCE PROFILES AND RESPONSIBILITIES

### 3.1. Curriculum Vitae

Name: John H. Bennett

Role: Managing Director, Pathway

Age: 55

#### Key Experience

1994-present: Managing Director, Pathway

1993-1994 Director Marketing Support and Communications, ICL (UK) Ltd. (65 staff and £8m promotion budget). Responsible for corporate communication, brand development, marketing services and international account development.

1989-1992 Sales and Marketing Director, ICL (UK) Ltd 150 marketing staff, 500 sales staff, £1 billion business. Responsible for all sales and marketing policies.



1985- 1988     Regional Director, Central Sales Region,  
ICL (UK) Ltd. 550 staff, £165m revenue.

#### *Career Summary*

1994-present: Managing Director, Pathway

1993-1994     Director         Marketing         Support         and  
Communications, ICL (UK) Ltd

1989-1992     Sales and Marketing Director, ICL (UK) Ltd

1985-1988     Regional Director, Central Sales Region,  
ICL (UK) Ltd

1983-1985     Account Manager DHSS, Central Sales Region,  
ICL (UK) Ltd

1981-1983     Customer Service Regional Manager, ICL

1980-1981     Project Director Inland Revenue, ICL

#### *Previous Career History*

1977-1980     Regional Sales Manager, Civil Government,  
ICL

1975-1977     Regional Sales Manager, Transport, ICL

1973-1975     Area Sales Manager, Local Government

#### *Role*

Direct Pathway's business supported by the Functions of  
Commerce and Finance, Business Development, Risk  
Management, Technical, Programmes and Customer Services.

#### *Responsibilities*

- Ensure success of Pathway's business plan.
- Grow Pathway's relationship with POCL.
- Ensure the fulfilment of the main contract.
- Establish strategic direction and vision supported by appropriate policy.
- Identify and promote the culture and values of the Organisation.

- Provide leadership for Pathway and promote communication.
- Ensure and report the integrity of the business.
- Ensure the provisions of the SQM are observed.

### 3.2 CURRICULUM VITAE

Name: M.J.B. Coombs  
Role: Deputy Managing Director, Pathway  
Age: 52

#### Key Experience

May 99- Present - Deputy Managing Director ICL Pathway

August 97 - April 99 ICL Pathway Programme Director

Accountable for all aspects of the Programme deliverables.

July 95 - July 97 - High Performance Systems (HPS)- Director, Business Development & Quality, also Director, Millenium Systems Server Group (MSSP). Accountable for Strategic Planning activities across HPS including input to ICL group on the HPS Strategic Plan, the quality community and quality initiatives across HPS, Change Programme introducing Project/Programme based approach to development activities, introduction of a UNIX strategy and associated Millenium Product Strategy.

May 94 - June 95 - DSS Strategic Bids, Bid Director

Accountable for: Establishing bid and consortium strategies for the following procurements: Focus 95, NIRS2, BA/POCL Automation.

Jan 93 - April 94 - GMS Business Applications Director

Jan 92 - Dec 93 - GMC Director of Business Development

Oct 69 - Dec 91 - worked in ICL in a variety of management roles including: Services and Support Management, Project Management (UKAEA, Inland Revenue, British Gas, GIN), Product Marketing and Software Development.

#### Responsibilities

- Deputising for the Managing Director for all aspects of ICL Pathway's activities

- Establishing and managing the relationship between ICL Pathway and Fujitsu in the co-ordination of Fujitsu Group activities in delivering the Horizon programme.
- Managing the interface between ICL Pathway and ICL group to ensure resources are efficiently acquired and shared processes established and followed.

## 3.3 CURRICULUM VITAE

Name: Anthony E. Oppenheim  
Role: Director Commercial and Finance, Pathway  
Age: 48

*Key Experience*

1994-present Director Commercial and Finance, Pathway

1991-1994 Manager, Strategic Business Initiatives,  
ICL

Focus on Mergers and Acquisitions, new business start-ups and disposals. Role involved full project management from concept to live operation.

1988-1991 VP of Finance, ICL Retail Systems

Period of 100% growth, focus on the acquisition and integration, and the development of the UK and US operations. Turnover increased from £150m per annum to £300m per annum.

1986-1988 VP of Finance, ICL Inc., USA

Predominantly retail business in early phase of expansion. Turnover of £40m per annum, now £150 million per annum.

1984-1986 Controller of Mainframes Systems

Mature business at a critical point of product transition from one generation to another. Focus on commercial 'smoothing' and product introduction. Turnover at transfer prices £250 million per annum.

*Career Summary*

1994-present Director Commercial Finance, Pathway

1991-1994 Manager, Strategic Business Initiatives,  
ICL

1988-1991 VP of Finance, ICL Retail Systems

1986-1988 VP of Finance, ICL Inc., USA

1984-1986      Controller of Mainframes Systems

1981-1984      Controller of Scotland and North East  
Division, ICL

1981      Controller of Local Government and Public  
Corporations Division, ICL

1978-1981      Manager, Profit Planning, ICL

*Previous Career History*

1976-1978 Manager, Product and Price analysis, Rank  
Xerox

*Role*

Manage all Commercial, Legal and Financial aspects of  
Pathway Business in support of the Managing Director  
and all Pathway functions.

*Responsibilities*

- Manage all commercial, financial and legal activities  
and the Functions resources.
- Own and manage the Client contract plus all  
associated subcontracts.
- Ensure clients settle all accounts in accordance with  
contractual terms and conditions.
- Ensure shareholders, subcontractors and staff are  
paid in accordance with agreements.
- Ensure compliance with all applicable legislation.
- Produce Pathway statutory accounts.
- Produce Pathway's five year and one year business  
plans and monitor performance against these and the  
business case.
- Analyse internal and external socio-economic trends  
of relevance to Pathway.
- Own and manage Functional subcontracts which are not  
client related.
- Manage Risk with regard to the Commerce and Finance  
Function.

### 3.4 CURRICULUM VITAE

Name: Martyn H. Bennett

Role : Director, Quality and Risk Management, Pathway

Age: 47

#### *Key Experience*

1995-present Director, Quality and Risk Management, Pathway

1993-1995 Research and Development Manager, De La Rue PLC

20 staff and budget of £1 million. Establishment and management of a balance of short-term, low-risk and longer-term, high-risk projects resulting in new products and features, and the adoption of new manufacturing technologies. Responsible for ISO9001 new product development and introduction processes.

1990-1992 Senior Associate, Coopers & Lybrand Deloitte

Responsibility for generating business and managing and participating in Consultancy assignments. Involved in the development of technical strategy and improvement of organisational effectiveness of major multinationals.

1988-1990 Division Technical Manager, 3M United Kingdom PLC

Technical responsibility for multi-million pound business, including resource management, strategic planning, identifying business opportunities and liaison with corporate product development organisations and key account senior management.

1986-1988 Business Development Manager, Europe, 3M

Responsibility for establishing a new business in Europe, identifying and developing market opportunities and distributing, communicating and co-operating with US managers, developing joint development projects with systems integrators and OEMs, and devolving European subsidiary involvement.

#### *Career Summary*

1995-present Director, Quality and Risk Management,  
Pathway  
1993-1995 Research and Development Manager, De La Rue  
PLC  
1990-1992 Senior Associate, Coopers & Lybrand  
Deloitte  
1988-1990 Division Technical Manager, 3M United  
Kingdom PLC  
1986-1988 Business Development Manager, Europe, 3M

*Previous Career History*

1981-1986 Research Manager, Mars Confectionery, Mars  
UK Ltd  
1979-1980 Senior Design Engineer, Transducers (CEL)  
Ltd  
1977-1978 Senior Research Scientist, GEC Ltd

*Role*

To manage quality policy, assurance and processes.

*Responsibilities*

- Assuring that ICL Pathway conducts its business in as effective and efficient a manner as possible. This involves management of the process improvement cycle. Quality and Risk Management is the owner within ICL Pathway for the end to end Business Model and is involved in facilitation of process development, reviewing process performance and monitoring improvement activities.
- Assurance that ICL Pathway is providing and continues to provide what it is contracted to, by means of:
  - Auditing the system,
  - Applying quality assurance and escalation processes, including the Business Excellence Model and self-assessment,
  - Co-ordinating Disaster Recovery plans,
  - Defining security policy and providing security incident management and instigation,
  - Assuring that ICL Pathway minimises year 2000 risks and has adequate contingency plans against residual risk,
  - Investigating the requirement for specialist insurance e.g. theft, fraud.
- Providing specific services which require internal objectivity, for example:
  - Fraud Risk Management
  - System audit for the customer



## 3.5 CURRICULUM VITAE

Name : William M Foley

Role : Director, Business Development, Pathway

Age : 48

*Key Experience*

1995-present Director, Business Development, Pathway

September 1994 - January 1995 Account Director - Japanese Companies [Fujitsu Systems Europe]  
Responsible for building a profitable business with Japanese multinational companies in Europe

January 1994 - August 1994 Account Director, ICL Hong Kong  
Responsible for developing and winning profitable major bids and to spearhead ICL's bid campaign to win the Provisional Airport Authority (Hong Kong) Major Systems Integration contract.

September 1991 - December 1993 Account Director - HIT (Hongkong International Terminals)  
Responsible for increasing ICL's on-going revenue from ICL Asia's largest client, customer satisfaction and for maintaining on-going dialogue at top management level between HIT and ICL

May 1990 - September 1991 Sales Development Manager, ICL Asia  
Responsible for ensuring ICL Asia achieved its sales targets and for the development of the sales force.

*Career Summary*

1995-present Director, Business Development, Pathway  
1994 - 1995 Account Director - Japanese Companies [Fujitsu Systems Europe]  
1994 - 1994 Account Director, ICL Hong Kong  
1991 - 1993 Account Director - HIT (Hong Kong International Terminals)  
1990 - 1991 Sales Development Manager, ICL Asia  
1989 - 1990 Sales Development Manager, ICL Europe  
1987 - 1988 Major Accounts Manager - ICL International  
1985 - 1986 Manager - Management and Account Development Unit  
1984 - 1985 Manager - Sales Management Programme  
1982 - 1984 Sales Account Manager, ICL

1983 - 1984	Area Manager, ICL
1980 - 1981	Sales Consultant, ICL
1977 - 1980	Sales Executive, ICL

### *Role*

Generate new business for POCL and Pathway by working with and through POCL.

### *Responsibilities*

- Own and manage the Business Development Function and its resources including the development of Pathway's own business development strategy.
- Manage Client relationships on behalf of the Business Development Function.
- Build and sustain understanding of the Client's marketplace.
- Identify and orchestrate evaluation, impact assessment and prioritisation of new business opportunities, to POCL's and Pathway's joint commercial benefit, comprising:
  - New services to existing Clients
  - Existing services to new Clients
  - New services to new Clients
- Develop joint and prioritised business plan for exploiting business opportunities.
- Through joint marketing and selling, implement the business plan.
- In collaboration with the Director Commerce and Finance define service provision and negotiate and win contracts.
- Develop and manage Public Relations strategy (internal and external).
- Maintain responsibility for internal and external communications
- Chair the IT development committee responsible for prioritising the use of IT resources.
- Provide market research and analysis to other directorates.
- Manage performance of subcontracts to the Business Development Function, for example promotion campaigns, market research and collateral development.
- Manage Risk with regard to the Business Development Function.
- Develop & Manage International Business of ICL Pathway

## 3.6 CURRICULUM VITAE

Name : John C.C. Dicks

Role : Director Customer Requirements,  
Pathway

Age : 57

*Key Experience*

1995-present Director Customer Requirements,  
Pathway

1993-1995 General Manager Enterprise Engineering  
Responsible for the technology backbone of  
advanced or demanding products and technologies  
which act as a differentiator for ICL in the  
systems integration arena.

1988-1993 Director, Applications Product Group  
Responsible for principal generic software  
applications. Built up ICL's office automation  
product from small beginnings to 3rd world-wide,  
by producing both European and Asian versions.  
Produced the successful secure military version  
for the Ministry of Defence (CHOTS) and was  
responsible for the cross-company programme for  
the total military product during the period up  
to award of contract.

*Career Summary*

1995-present Director Technical, Pathway  
1993-1995 General Manager Enterprise Engineering, ICL  
Enterprises  
1988-1993 Director, Applications Product Group, ICL  
Midrange Systems Division  
1988 General Manager Communications and  
Integration Business, ICL Office Systems  
1985-1988 General Manager Open Systems Business  
Centre, ICL Network Systems Division  
1983-1985 Manager, Mainframes and Wide Area  
Networking, ICL Network and Communications Division  
1982-1983 Manager Networked Product Line  
Introduction, ICL Network and Communications  
Division

*Previous Career History*

1975-1983 Project Management Roles, ICL

Including 5 years as project manager at the DHSS  
Newcastle/Washington

### Role

Design the solution architecture and its components,  
and hand over to Programmes.

### Responsibilities

- Own and manage the Technical Function and its resources.
- Manage Client relationships on behalf of the Technical Function.
- Authorise changes to technical architecture and resultant design.
- Manage change control to technical architecture and associated design.
- Ensure technology refreshment is considered and its impact optimised in line with business benefit.
- Track and exploit new technology to the commercial advantage of Pathway and its Clients.
- Undertake technical impact assessments on behalf of the Technical Function and other functions.
- Undertake impact assessment, option evaluation, contract scheduling and other relevant work in respect of proposed new business.
- Identify and implement best practice methodologies and tools in support of the Technical Function.
- Manage Risk with regard to the Technical Function.
- Undertake impact assessment, option evaluation, contract scheduling and other relevant work in respect of proposed new business including activities in the 1995 Bid Process as agreed.
- Identify and implement best practice methodologies and tools in support of the Technical function.
- Secure and protect appropriate Quality accreditation, for example 'Tickit'.
- Manage Risk with regard to the Technical function.

### 3.7 CURRICULUM VITAE

Name : Terry P. Austin  
Role : Director Development, Pathway  
Age : 49

#### *Key Experience*

1999-present Director, Development Pathway

1995-1999 Director Programmes, Pathway

1993-1995 Programme Manager, Inland Revenue, Telford  
End-to-end delivery of a complex IT system to support the new Self Assessment taxation legislation. At its peak some 500 people would be working on the system, comprising 15 mainframes, more than a thousand servers and over 50,000 PCs.

1990-1993 Project Manager, Inland Revenue, Telford  
Implementation of the Corporation Tax Pay and File System, a 400 man year project comprising a mainframe, 800 UNIX Servers connected to 50,000 PCs located throughout the UK.

#### *Career Summary*

1995-present Director Programmes, Pathway  
1989-1995 Programme Manager/Senior Consultant, Inland Revenue, Telford  
1988-1989 Information Technology Manager, Swan National Rentals Ltd  
1984-1988 Project Manager/Support Manager, Severn Trent Water Authority  
1981-1984 Project Manager/Technical Consultant, ICL

#### *Previous Career History*

1979-1981 Project Manager, Kuwait Oil Company, Arabian Gulf  
1968-1978 Various Positions, Ministry of Defence

**Role**

Orchestrate the initial end-to-end programme delivery including development and test. Subsequently, on an as needed basis, orchestrate increments on that initial base.

**Responsibilities**

- Own and manage the initial development and build implementation.
- Own and manage the Programmes Function and its resources.
- Define the Programme and its baseline.
- Manage contract and subcontract performance with regard to the development, test, pilot and build phases of the initial implementation.
- Prepare and maintain the programme plan.
- Direct programme implementation through:
  - Project and technical managers nominated from other functions in Pathway
  - Client nominees
  - Subcontractors owned by the Programmes Function
- Monitor and control the sub-activities of the Programme to reflect its priorities.
- Identify and implement best practice programme standards, methodologies and tools, and associated project management counterparts.
- Manage Client relationships on behalf of the Programmes Function.
- Manage Risk with regard to the Programmes Function.



### 3.8 CURRICULUM VITAE

Name : Stephen Muchow

Role : Director, Customer Service Pathway

Age : 46

#### *Key Experience*

1996 present Director Customer Service, Pathway  
Responsible for all aspects of Customer Service across all boundaries, both internal (ICL) and external and with subcontractors

1995-1996 Deputy Operations Manager, Pathway  
Responsible for defining the operational services required to support the delivery of the BA/POCL contract, including the selection of service providers. This included the negotiation of service level contracts.

1993-1995 Technology Manager, ICL Customer Services Unit  
Responsible for the development of internal IT and business process systems for a £250M revenue Customer Services Unit.

1991-1993 South East Regional Manager, ICL Customer Services  
Management of 700 regionally based staff, including Sales, Engineering and Senior Professional Consultancy staff.

#### *Career Summary*

1994-present Director Customer Service, Pathway  
1995-1996 Deputy Operations Manager  
1993-1995 Technology Manager, ICL Customer Services Unit  
1991-1993 South East Regional Manager, ICL Customer Services  
1988-1991 Customer Service Manager, ICL Customer Services



*Previous Career History*

1982 - 1985 ICL Office Systems Consultant  
1985 - 1987 ICL Mainframe Systems Manager  
1987 - 1990 ICL Customer Service / Service  
Management Manager

*Role*

Operate services in accordance with service level agreements (SLAs). The current role includes:

- Client
  
- POCL operational support services
- Help desks
- Counter support services
- Site services
- Training (ongoing)
- Management information (MIS)
- Pathway
- Help desks
- Site services
- Training
- MIS

*Responsibilities*

- Own and manage the Customer Service Function.
- On behalf of Pathway take responsibility for Configuration and Asset Management.
- Manage Client relationships on behalf of the Customer Service Function.
- Manage contract and subcontract performance with regard to Pathway Customer Service.
- Maintain the designated Client IT infrastructure in accordance with the technical architecture and associated design authority.
- Manage change control in respect of the Customer Service Function.
- Undertake work in respect of proposed new business.
- Identify and implement best practice methodologies and tools in support of the Customer Service Function.
- Manage Risk with regard to the Customer Service Function.

### 3.9 CURRICULUM VITAE

Name : John Hobson

Role : Personnel Director - ICL Pathway

Age : : 38

#### *Key Experience*

1998 - Present Personnel Director - ICL Pathway

1995 - 1998 Personnel Manager ICL Government/PFI Business  
Responsible for all aspects of resourcing, training and development within the Government/PFI Business Unit. Implemented a flexible resource model to facilitate the more efficient deployment of employees to satisfy customer requirements. Focused on performance management of employees to encourage continual improvements in productivity.

1987-1995 - Human Resources Manager Akzo Nobel N.V.  
Responsible for a number of business divisions with Akzo Nobel, one of the largest chemical companies in the world. Supported the growth of the U.K. company to market leadership in its industry sector. Substantial experience in the acquisition and integration of businesses. Concentrated on performance management, industrial relations and training and development.

#### *Previous career history*

1985-87 Personnel Officer - Thomas Cook

1982-85 Graduate Trainee UKAEA

#### *Current Role*

Responsible for the efficient deployment of the Human Resources within ICL Pathway.

#### *Responsibilities*

- Ensure ICL Pathway is correctly resourced with the right numbers and quality of people.
- Control the salary review process within budget, insuring employees are rewarded appropriately to their contribution and market value.
- Ensure all employees receive the appropriate training and development to carry out their role effectively
- Produce and maintain the ICL Pathway succession plan so that vacancies can be filled in a planned manner

- Liase closely with managers to ensure all the requirements of the ICL performance management process are being followed. All employees to be appraised, to have SMART objectives which are regularly reviewed and to have a personal development plan which maps out their future development.
- Ensure the organisation structure is regularly reviewed and is able to meet the key tasks of the organisation.
- Manage the relationship with internal and external service suppliers, e.g. training and recruitment organisations to ensure a cost-effective service.
- Ensure all administrative activity is carried out accurately and on time.
- Control the allocation of space within all ICL Pathway locations and ensure it is used efficiently.
- Responsibility for all operational employee relations issues.
- Responsible for Health and Safety

### 3.10 Curriculum Vitae

Name: Jim Flynn  
Role: Implementation Director - ICL Pathway  
Age: 35

#### *Key Experience*

1999-date Implementation Director - ICL Pathway

1996 - 1999 - Senior Programme/Project Manager Storage Technology Ltd.

Responsible for project management of major customer IT programmes, creation and implementation of European business plans, the definition of operating procedures for project and bid management, and the management of bids for major opportunities.

1995 - 1996 Project Manager - GEC Marconi Naval Systems  
Responsible for management of major submarine defence project and implementing a Strategy for success. Technical coverage included management of Sub-contract software development, and in house team of 70 design, development and test engineers, hardware and software development and production. Project covered the full lifecycle from requirements, through design and development to implementation and acceptance.

1991 - 1995 Project Manager, GEC Marconi  
Responsible for managing a number of projects and bids, including programmes for major mine warfare detection systems for the Royal Navy, Australia and Spain

#### *Career summary*

1996-99 Senior Programme/Project Manager IT Projects  
1995-96 Senior Project Manager, Submarine Control System  
Programme  
1993-95 Project Manager, Command System Software  
Development Programme  
1991-93 Project Manager, Feasibility Study in Torpedo  
Defence  
1983-91 Royal Navy Submarine Navigation Officer

#### *Current Role*

Manage all activities and resources, responsible for the Implementation of the Pathway solution, ensuring timely and accurate handover of all identified deliverables.

#### *Responsibilities*

- Own and manage the implementation processes and resources
- Plan and manage the programme to achieve Implementation contract milestones
- Manage risk in relation to the Implementation function
- Assess and authorise implementation tools and process changes
- Identify, implement and manage the processes tools and resources, adopting best practice to rollout services for Migration, Training, Installation and Infrastructure Preparation.
- Manage Client Relationships on behalf of Implementation

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## 1. REQUIREMENTS

### 1.1. Requirement 463 - POCL Service Infrastructure - OPS: Additional Requirements for OPS Equipment

1.1.1. The Contractor shall supply samples of all elements of the POCL Service Infrastructure used to provide OPS for purposes other than (i) Roll Out and (ii) live use in POCL Premises as part of the Operational Services. Examples of these purposes include:

a) testing by POCL;

b) training;

c) demonstrations and marketing.

1.1.2. The Contractor shall provide specimens of all elements and proposed elements of the POCL Service Infrastructure used to provide OPS from time to time to undergo destructive safety testing.

1.1.3. POCL shall notify the Contractor from time to time of how many samples are required for the purposes of testing such elements of the POCL Service Infrastructure at Operational Trial. They shall not in total exceed the equivalent of 8 post offices with a total of 50 Counter Positions. Any requirements thereafter for samples of equipment for testing purposes (beyond the initial 50 Counter Positions) shall be subject to a process approved by a date consistent with the Project Plan.

1.1.4. Unless testing demonstrates a breach of the relevant standards in Schedule A02, the number of specimens for destructive testing purposes shall not exceed one example of each component of Hardware within the elements of the POCL Service Infrastructure that are proposed for the OPS.

1.1.5. The quantity of samples for training purposes depends on the training methodology employed.

**1.2. Requirement 464 - POCL Service Infrastructure - OPS:  
POCL's Agreement to Offer Services Using OPS and TMS**

1.2.1. Services which utilise OPS or TMS shall only be provided subject to the agreement of POCL.

**1.3. Requirement 465 - POCL Service Infrastructure - OPS:  
Appearance of the OPS Equipment**

1.3.1. The livery of the elements of the POCL Service Infrastructure to be used for OPS shall be agreed with POCL before Roll Out. A single livery shall be approved for all Outlets that is consistent with the POCL Style Guide for Post Offices.

1.3.2. The effort required to maintain the appearance of the Equipment to a level reasonably acceptable to POCL shall be minimal.

**1.4. Requirement 466 - POCL Service Infrastructure - OPS:  
Consumables**

1.4.1. The Contractor shall supply detailed specifications of all the consumables used by the OPS. The Contractor shall provide estimates of the likely consumption of



each consumable and, as part of an impact assessment, the impact on consumption of any changes, including new Services.

- 1.4.2. The Contractor shall be capable of supplying all consumables, but POCL shall have the option to source consumables from another supplier.

**1.5. Requirement 467 - POCL Service Infrastructure - OPS: Links from OPS to TMS**

- 1.5.1. Each instance of OPS within Outlets shall interface with TMS to allow the transfer, in both directions, of authorised data files and messages.
- 1.5.2. The transfer of data between OPS and TMS shall be secure, complete, accurate and robust.
- 1.5.3. Within OPS it shall be possible to identify whether data from OPS have been received by TMS or not.

**1.6. Requirement 468 - POCL Service Infrastructure - OPS: engineering visits**

- 1.6.1. Maintenance and repair of the elements of the POCL Service Infrastructure used to provide OPS involving on-site attendance at POCL Premises by the Contractor's engineers shall not interfere unduly with the ability of an Outlet to serve Customers, even where Outlets have a single Counter Position and/or extremely limited physical space.

**1.7. Requirement 469 - POCL Service Infrastructure - OPS: Technical Documentation**

- 1.7.1. The Contractor shall provide technical documentation concerning OPS and the elements of the POCL Service Infrastructure used to provide OPS. This documentation shall be suitable to allow POCL to procure applications which utilise OPS or hardware which interfaces with OPS. These procurements shall not necessarily be from the Contractor.
- 1.7.2. All changes to such documentation shall be subject to the Change Control Procedure.

**1.8. Requirement 470 - POCL Service Infrastructure - OPS: TMS Technical Documentation**

- 1.8.1. The Contractor shall provide technical documentation concerning TMS and the elements of the POCL Service Infrastructure used to provide TMS. This documentation shall be suitable to allow POCL to procure applications

which utilise TMS. These procurements shall not necessarily be from the Contractor.

1.8.2. All changes to such documentation shall be subject to the Change Control Procedure.

**1.9. Requirement 471 - POCL Service Infrastructure - OPS: Messaging facilities**

1.9.1. Using TMS and OPS it shall be possible to broadcast short messages to all or a subset of Outlets. As a guide, a message length of approximately 2000 bytes is likely to be acceptable.

1.9.2. Such messages shall be brought to the attention of staff working at automated Counter Positions in the Outlet at the earliest practical opportunity. OPS shall enable staff at the Outlet to produce a hard copy of the message within the Outlet.

1.9.3. TMS and OPS shall have the capability to be developed to allow, subject to change control, staff working in the Outlets to gain access to information held electronically on the POCL Service Infrastructure such as is currently published in 'Counter News' and the operations manuals provided hereunder by the Contractor.

**1.10. Requirement 472 - POCL Service Infrastructure - OPS: Security of Data and Audit Trail**

1.10.1. Data capture within OPS shall be accurate and robust.

1.10.2. The integrity and security of data held within the OPS shall be protected at all times. Full logs of Events within OPS shall be maintained and an audit trail of interactions with, and actions within, OPS shall be maintained.

1.10.3. The integrity and security of data held within OPS shall not be compromised by any Incident nor when OPS is re-established following any Incident.

**1.11. Requirement 473 - POCL Service Infrastructure - OPS: User Access**

1.11.1. Any remote access to OPS shall be restricted to Users specifically authorised by POCL and shall only take place via TMS.

1.11.2. Access to OPS and POCL Services offered via OPS to staff working in the Outlets shall be controlled by a mechanism, conforming to the POCL Style Guide, offering multiple access levels and providing specific identification of each User.



- 1.11.3. It shall be possible to restrict the functionality available at an Outlet, to permit (inter alia) some POCL Services not to be offered at all Outlets.
- 1.11.4. There shall be support available to Users who have forgotten their passwords. A large proportion of the Outlets have only a single Counter Position. The support mechanism used shall not unduly reduce the effectiveness of access control.
- 1.11.5. There shall be a secure and reliable mechanism for Users to suspend and resume access to OPS and POCL Services offered via OPS. This shall not be unduly onerous or time consuming for Users.
- 1.12. Requirement 474 - POCL Service Infrastructure - OPS: Health, Safety, and Legal Obligations
- 1.12.1. The Contractor shall ensure that all Equipment used in the provision of OPS is rated for continuous operation, and capable of functioning safely and reliably for an unlimited period, attended or unattended, in Outlets.
- 1.12.2. Each installation of such Equipment shall be physically and electrically safe and in compliance with relevant legislation and recognised best practice. Such installation shall not cause interference with other devices. Such Equipment may be required to be installed in residential premises.
- a) "Relevant legislation" includes all relevant UK Regulations and, from the due date of UK implementation, EC Directives. Such Equipment shall be maintained to be compliant with any subsequent legislation.
- b) "Relevant legislation and recognised best practice" includes mandatory standards, including all relevant UK Regulations and, from the due date of UK implementation, EC Directives. Such Equipment shall be maintained to be compliant with any subsequent legislation or mandatory standards.
- c) All Equipment used in the provision of OPS shall comply with BS EN60950 : 1992 (BS7002 :1992) and any subsequent amendments.
- d) All Equipment used in the provision of OPS comprising AC power adaptors shall comply with BS EN60065 : 1993 (BS7002 :1992).

- e)The workstation aspects of all Equipment used in the provision of OPS shall comply with the Health and Safety (Display Screen Equipment) Regulations 1992, which implement Council Directive 90/270/EEC on working with display screen equipment.
- f)Any Equipment used in the provision of OPS containing laser emitters (including, without limitation, laser printers and laser barcode scanners) shall comply with BS EN 60825:1992.
- g)Any telecommunications Equipment used in the provision of OPS shall comply with Council Directive 91/263/EEC (the Telecommunication Terminal Equipment Directive) and have a current BAPT certificate or equivalent for connection to the public telephone network.
- h)All Equipment used in the provision of OPS which is defined as machinery shall comply with the Supply of Machinery (Safety) Regulations 1992, which implement the Machine Directive 89/392/EEC as amended by 91/368/EEC.
- i)All Equipment used in the provision of OPS shall comply with the Electrical Equipment (Safety) Regulations 1994, which implement the Low Voltage Directive 73/23/EEC as amended by 93/68/EEC.
- j)All Equipment used in the provision of OPS and connected, or intended for connection, to weighing devices shall meet the requirements of the Non-automatic Weighing Instruments (EEC Requirements) Regulations 1992 Schedule 3 Applications.
- k)All visual display terminal Equipment (including, without limitation, keyboards) used in the provision of OPS shall comply with the relevant requirements of either BS 7179:1990 or ISO 9241:1992.
- l)All Equipment used in the provision of OPS which falls within the scope of The Electromagnetic Compatibility (EMC) Regulations 1992, which implement Council Directive 89/336/EEC (as amended by 92/31/EEC), shall comply with such Regulations.
- m)All Equipment used in the provision of OPS shall meet the minimum EMC requirements of both residential and commercial installations, including compliance with BS EN 50081 and BS EN 50082 with the following amended test severity levels and with no degradation of performance:
- IEC 801 part 2 class 3, 6kV contact discharge;
  - IEC 801 part 3 3V/m;

- IEC 801 part 4 +/- 1kV injected onto mains AC supply;
- IEC 801 part 5 +/- 2kV.

n) All Equipment used in the provision of OPS and covered by EN45501:1992 shall comply with clause A4.5 (voltage variations) and Annex B of that standard.

o) All items of Equipment used in the provision of OPS shall have an Index of Protection rating of IP3X as defined in BS EN 60529:1992.

1.12.3. The Equipment used in the provision of OPS and its installation shall not constrain POCL or the Agents from meeting their legal safety responsibilities as employers.

1.12.4. It shall be possible to prove compliance with legislation or mandatory standards as and when necessary.

**1.13. Requirement 475 - POCL Service Infrastructure - OPS: Style Guide**

1.13.1. The Contractor shall draw up the Horizon OPS Style Guide and agree this with POCL by a date consistent with the Project Plan. Any POCL Services to be offered via the OPS shall be provided in accordance with the Horizon OPS Style Guide.

1.13.2. The Horizon OPS Style Guide shall set out, inter alia, general guidelines for the Human Computer Interface, including screen layouts, system navigation routes and help and manual entry facilities.

1.13.3. The Human Computer Interface shall be intuitive and easy to use, to minimise errors and delays. The Human Computer Interface shall provide a consistent look and feel across all Applications and be easy to adapt to facilitate the introduction of new Applications.

**1.14. Requirement 476 - POCL Service Infrastructure - OPS: Release control**

1.14.1. The following requirements shall be met in connection with the distribution and subsequent activation of each Release.

1.14.2. The following shall be approved by POCL before any Release, this approval not being unreasonably withheld:-

- a) the contents of any Release;
- b) the upgrade path for any Release;

- c)the timing of the distribution of any Release;
  - d)the timing of the activation of any Release.
- 1.14.3. The Contractor shall provide proof of sufficient and satisfactory pre-testing of each Release, including the following aspects:-
- a)at individual component (unit test) level;
  - b)of all components of the Release, both changed and unchanged, working together (system test);
  - c)of all components in combination with different hardware and software combinations which may be encountered when the Release is in live, non-training, use hereunder.
- 1.14.4. The Contractor shall provide proof of sufficient and satisfactory preparation for the implementation of a Release. This shall include testing the implementation, reversion and regression from the Release.
- 1.14.5. The implementation of any Release shall not cause any significant disruption to Users, shall not disrupt the normal working environment of Users and shall not require significant involvement from Users.
- 1.14.6. The implementation of any Release shall not cause any corruption to data held by or on behalf of POCL.
- 1.14.7. The Contractor shall maintain a detailed record of all Releases and where they are deployed.
- 1.15. Requirement 477 - POCL Service Infrastructure - OPS: Asset register**
- 1.15.1. The Contractor shall maintain a detailed list of all physical components installed at POCL Premises (an OPS asset register) and make it available to POCL on request. From the list it shall be possible to identify all elements of the POCL Service Infrastructure installed at any location.
- 1.16. Requirement 478 - POCL Service Infrastructure - OPS: Basic TMS Facilities**
- 1.16.1. TMS shall link into each instance of OPS that is to be used for live work.
- 1.16.2. TMS shall provide links into other computer systems as required to support POCL. These systems include:-
- a)Client systems operated on behalf of Clients; and

b) other POCL systems, including without limitation TIP.

1.16.3. TMS shall provide Data File collection and Data File delivery Services.

a) It shall be possible to collect Data Files from or deliver Data Files to any computer system attached to TMS.

b) The collection or delivery of Data Files shall be triggerable by any of:

- User action;
- time;
- in response to a message from an attached computer system or generated within TMS.

c) The collection or delivery of Data Files shall be retried automatically, under parameter control, in the event of any failure.

d) It shall be possible for POCL to specify a pre-defined list of computer systems to which a Data File is to be delivered or from which a Data File is to be collected.

1.16.4. TMS shall provide a message switching capability, where a message consists of electronic data which shall be passed from one computer system to another ("switched") with minimal delay.

a) It shall be possible to switch messages between any two attached computer systems (including without limitation between elements of the POCL Service Infrastructure in individual Outlets).

b) Where TMS is unable to deliver a message it shall notify the originating computer system.

c) TMS shall include the following processing capabilities:

- validation of Data Files;
- consolidation of many Data Files into one Data File;
- generating many Data Files from one Data File;
- reformatting the contents of Data Files;
- generating control totals through access to the contents of Data Files;
- reconciliation of control totals;



- produce reports summarising financial transactions.
- 1.16.5. The Contractor shall maintain a full audit trail of all TMS activity.
- 1.16.6. The Contractor shall ensure that any transfer of Data Files or messages to or from TMS is, and can be shown to be, secure, complete accurate and robust.
- 1.17. Requirement 479 - POCL Service Infrastructure - OPS: Control and Monitoring of TMS links**
- 1.17.1. No computer system shall be connected to the elements of the POCL Service Infrastructure on which TMS is provided without the approval of POCL.
- 1.17.2. TMS shall only allow connections to such elements of the POCL Service Infrastructure to be established with computer systems which are approved by POCL to be connected. The Contractor shall maintain a register of computer systems with which such connections are allowed.
- 1.17.3. TMS shall authenticate the identity of any computer system with which a link is to be established.
- 1.17.4. TMS shall produce reports detailing any attempt to establish a link which is rejected. The Contractor shall provide these reports to POCL on request.
- 1.18. Requirement 480 - POCL Service Infrastructure - OPS: Logical Discreteness of TMS**
- 1.18.1. TMS shall be logically discrete from other POCL Services such that other services can be separately procured that make use of TMS and such that, in extremis, a replacement service for TMS could be separately procured.
- 1.19. Requirement 481 - POCL Implementation - Documentation: Process and Procedures Documentation**
- 1.19.1. The Contractor shall provide, before training commences, a comprehensive set of PPDs for completing Transactions undertaken in Outlets. The PPDs shall also include the definitive procedural instructions for Transaction support processes at Outlets e.g. accounting, balancing, Value Stock taking, and details of what to do in emergency situations e.g. failure of the POCL Service Infrastructure.
- 1.19.2. In essence the PPDs shall provide full details of completing all automated procedures in all Outlets.



**1.20. Requirement 482 - POCL Implementation - Documentation:  
Documentation Standards for PPDs**

1.20.1. The documentation standards applicable to PPDs shall be agreed, from time to time.

**1.21. Requirement 484 - POCL Implementation - Documentation:  
Availability of PPDs**

1.21.1. The Contractor shall provide POCL one paper copy and one electronic copy of each PPD and subsequent updates.

**1.22. Requirement 485 - POCL Implementation - Documentation:  
Updating PPD Information**

1.22.1. The PPDs shall be updatable and updated, in line with any Service Levels agreed between the parties from time to time, (or if not agreed, then within a reasonable time), to ensure information is always current.

**1.23. Requirement 486 - POCL Implementation - Documentation:  
POCL's Approval**

1.23.1. All documentation provided hereunder by the Contractor shall be subject to final approval by POCL.

**1.24. Requirement 487 - POCL Implementation - Installation:  
Survey of Outlets by the Contractor**

1.24.1. The Contractor shall carry out the survey of Outlets to ascertain what modifications are needed to install the POCL Service Infrastructure.

**1.25. Requirement 488 - POCL Implementation - Installation:  
Installation and Acceptance of the Office Platform**

1.25.1. The installation and acceptance of the elements of the POCL Service Infrastructure used to provide the OPS shall be undertaken in one day at each location in the POCL Premises.

**1.26. Requirement 489 - POCL Implementation - Installation:  
Removal of Existing Equipment**

1.26.1. The Contractor shall, on completion of implementation at an Outlet and using an agreed process, disconnect and move existing automated equipment as specified by POCL, and identified during the relevant site survey, to a single location in mainland UK agreed with POCL from time to time.

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1.26.2. Such existing automated equipment shall be limited to the PC configurations that support ECCO and / or ESNS at 15th May, 1996.

**1.27. Requirement 490 - POCL Implementation - Installation:  
Installation within Normal Business Hours**

1.27.1. Installation at an Outlet shall be carried out at times in accordance with the CCD entitled "Installation Strategy".

**1.28. Requirement 491 - POCL Implementation - Installation:  
Completion of Internal Modifications**

1.28.1. The Contractor shall carry out internal office modification work at all POCL Premises in accordance with Clause 406 of the Codified Agreement.

**1.29. Requirement 492 - POCL Implementation - Installation:  
Modifications - Compliance with Legislation**

1.29.1. The Contractor shall ensure that all staff and sub-contractors carrying out modification work shall conform to all legislative requirements.

**1.30. Requirement 493 - POCL Implementation - Installation:  
Removal / Fitting of Equipment at Relocated / Refurbished  
Outlet**

1.30.1. Subject to limitations defined in Annex 5 to Schedule A12, the Contractor shall, as an Optional POCL Service,:

a) be responsible for the removal / fitting of the Equipment when Outlets are either relocated or refurbished. The Contractor shall move equipment within Outlets if needed for refitment / refurbishment reasons (including refitment / refurbishment to make such Outlets open plan), and shall if necessary provide extra Equipment; and

b) if requested by POCL, equip new sites / relocated sites in line with POCL's evolving network strategy from time to time.

**1.31. Requirement 494 - POCL Implementation - Installation:  
Response to Network Change Requests**

1.31.1. The Contractor shall respond within a timescale (which shall be agreed between POCL and the Contractor before commencement of Roll Out of the POCL Services), to network change requests supplied by POCL, in accordance with Service Levels. This requirement covers

provision and installation of equipment in new and relocated POCL Premises as well as the movement / reconfiguration of equipment within existing POCL Premises.

**1.32. Requirement 495 - POCL Implementation - Installation:  
Provision of Equipment at Counter Positions**

1.32.1. Subject to the limit in Annex 5 to Schedule A12, the Contractor shall provide the Equipment at Counter Positions. These shall include modified parcel positions and some non-modified positions.

**1.33. Requirement 496 - POCL Implementation - Installation:  
Installation of Equipment at Any Site Designated by POCL**

1.33.1. The Contractor shall install the Equipment at any site designated by POCL which may include training centres.

**1.34. Requirement 497 - POCL Implementation - Installation:  
Installation by the Contractor in Outlets**

1.34.1. The Contractor shall install the POCL Service Infrastructure necessary for OPS in Outlets.

**1.35. Requirement 498 - POCL Implementation - Integration:  
Migration of Existing Products and Systems**

1.35.1. The Contractor shall migrate existing POCL Products and POCL systems from current POCL platforms - APT, ECCO+, ALPS, manual - to the POCL Service Infrastructure with no discontinuity of service to Customers and Clients. The Contractor shall work closely with POCL to plan how best to achieve effective migration. At Outlets, data transfer and associated tasks shall be expedited as efficiently as possible with minimum staff / subpostmaster involvement.

1.35.2. In office data migration shall be carried out in accordance with the Migration Specification. To the extent that the first paragraph of this requirement 498 is inconsistent or in conflict with the Migration Specification, the Migration Specification prevails.

**1.36. Requirement 499 - POCL Implementation - Integration:  
Timing of Installation**

1.36.1. Installation of the POCL Service Infrastructure shall not take place until the support services are available.

**1.37. Requirement 500 - POCL Implementation - Roll Out:  
Confirmation of Permissions for Modifications**

1.37.1. The Contractor shall obtain in each case certification from the appropriate Authorising Officer that relevant permissions have been granted before modifications to each POCL Premises are carried out.

**1.38. Requirement 501 - POCL Implementation - Roll Out:  
Planning and Agreement of Site Visits**

1.38.1. The Contractor shall ensure there is a process in place to ensure all Outlets and Horizon Implementation Managers are aware of and agree the times and dates of all site visits. The relevant Horizon Implementation Manager shall be the final arbiter in case of disagreements between the Contractor and the Outlet Manager.

**1.39. Requirement 502 - POCL Implementation - Roll Out: Survey  
Activities to Avoid Disruption to Service**

1.39.1. The Contractor shall carry out all survey activities with minimum degradation of post office and retail operations - including any existing computer, telecommunications and other systems at the Outlet.

**1.40. Requirement 503 - POCL Implementation - Roll Out:  
Modifications to Avoid Disruption to Services**

1.40.1. The Contractor shall carry out all modification activities with minimum degradation of Post Office and retail operations - including any existing computer, telecommunications and other systems at the Outlet.

**1.41. Requirement 504 - POCL Implementation - Roll Out: Use of  
Existing Equipment**

1.41.1. The Contractor shall utilise existing POCL equipment as specified in Schedule A09.

**1.42. Requirement 507 - POCL Implementation - Roll Out:  
Installation to Avoid Pressure Periods**

1.42.1. Unless otherwise agreed with the Horizon Implementation Manager and / or Outlet Manager, the Contractor shall minimise installation activity of the Equipment on POCL Premises during particular business periods, namely Christmas and New Year pressure periods, and other post office specific dates agreed by the Contractor and POCL on an annual basis (such agreement not to be unreasonably withheld or delayed).

**1.43. Requirement 508 - POCL Implementation - Roll Out: Suspension**

1.43.1. POCL may suspend the Roll Out programme if the Contractor fails to meet any of the Service Levels.

**1.44. Requirement 509 - POCL Implementation - Roll Out: Siting of Equipment in Outlets**

1.44.1. Within a specification to be agreed with POCL by a date consistent with the Project Plan, the siting of the elements of the POCL Service Infrastructure in each Outlet shall be agreed by the Outlet manager.

**1.45. Requirement 510 - POCL Implementation - Roll Out: Common Planning Base for All Types of Outlet**

1.45.1. For the purpose of Roll Out planning the Contractor shall make no particular distinction between types of "main" post office (e.g. branch offices, modified sub post offices and franchised post offices).

**1.46. Requirement 511 - POCL Implementation - Roll Out: Installation to avoid disruption to services**

1.46.1. The Contractor shall carry out all installation activities with minimum degradation of post office and retail operations - including any existing computer, telecommunications and other systems at the Outlet.

**1.47. Requirement 512 - POCL Implementation - Roll Out: Overriding Constraints to Speed of Roll Out**

1.47.1. Roll Out of the POCL Service Infrastructure and POCL Services shall be undertaken as quickly as possible subject to the over-riding requirement to:

- a) maintain service and Client continuity;
- b) maintain the quality of service delivery to Clients and Customers;
- c) appropriate support systems - including training - being in place;
- d) avoidance of damage to POCL's brand, reputation and integrity;
- e) treat POCL's staff and Agents professionally and with respect;

but in any case shall be completed by a date consistent with the Project Plan.



**1.48. Requirement 513 - POCL Implementation - Roll Out: POCL's Agreement to Equipment Upgrades**

1.48.1. The Contractor shall only upgrade the Equipment at Outlets with the prior approval of POCL. This approval shall not be unreasonably withheld.

**1.49. Requirement 514 - POCL Implementation - Roll Out: Mechanism for Determining that Outlets are Ready to Go Live**

1.49.1. The Contractor shall provide a process for determining that individual POCL Premises are ready to go live i.e. that the new POCL Service Infrastructure functionality at such POCL Premises shall be activated for use. POCL may withhold agreement to such activation if, for any reason, it determines that in a particular set of circumstances such activation is detrimental to its Customers, Clients, staff, or Agents. If such activation is not sanctioned, POCL and the Contractor shall resolve outstanding issues as soon as possible.

**1.50. Requirement 516 - POCL Implementation - Roll Out: POCL Rights to Amend Roll Out Programme**

1.50.1. POCL reserves the right to request amendments to the Roll Out Programme, in accordance with the Change Control Procedure, as necessary to protect its Service Levels.

**1.51. Requirement 517 - POCL Implementation - Roll Out: Outlet Modifications to be Completed in One Visit**

1.51.1. The modifications will be completed in one visit to the Outlet. Telecommunication line installation may be carried out separately and with prior notification to the Horizon Implementation Manager and / or Outlet Manager (approval not required for telecommunication installation provided that it is carried out during normal working hours of the relevant Outlet). It is recognised that modification work in larger Outlets, i.e. those with more than six (6) counter positions, may need to span more than one day. In these, or other exceptional circumstances, arrangements to complete such work over more than one day will be subject to mutual agreement between the Contractor, the Horizon Implementation Managers and / or Outlet Managers, but such agreement shall not be unreasonably withheld.



**1.52. Requirement 518 - POCL Implementation - Roll Out: Outlet Survey to be Completed in One Visit**

1.52.1. Each Outlet survey shall be completed in one visit to the Outlet.

**1.53. Requirement 519 - POCL Implementation - Operational Services: Installation at Previously Unequipped Counter Positions**

1.53.1. Subject to the limits in Annex 5 to Schedule A12, the Contractor shall provide and install the POCL Service Infrastructure used for OPS at Counter Positions not previously so automated as directed by POCL.

**1.54. Requirement 520 - POCL Implementation - Supporting Services: Availability from Day One**

1.54.1. The Contractor shall ensure that all the support services shall be available before activation of the POCL Service Infrastructure in each POCL Premises in line with the Service Levels.

**1.55. Requirement 521 - POCL Implementation - Supporting Services: Help Desk Services Single Point of Access**

1.55.1. The Contractor shall provide one telephone number as a single point of access to all Help Desk Services.

**1.56. Requirement 522 - POCL Implementation - Supporting Services: Help Desk Telephone Number**

1.56.1. The Help Desk contact point for POCL Users shall be a local rate telephone number.

**1.57. Requirement 523 - POCL Implementation - Supporting Services: Levels of Support Service**

1.57.1. The Contractor shall provide appropriate levels of support services:

- a) to all Users who have access to the POCL Service Infrastructure;
- b) to cover the operation of interfaces with the POCL Service Environment;
- c) to provide support for all other help desks linked to the Help Desk facility provided by the Contractor.

**1.58. Requirement 524 - POCL Implementation - Supporting Services: Help Desk Hardware Support**

1.58.1. The Help Desk Service shall deal, without limitation, with calls relating to the Hardware. This shall include, but is not exclusive to:

- a) fault diagnosis;
- b) maintenance call out;
- c) caretaking advice;
- d) configuration management.

**1.59. Requirement 525 - POCL Implementation - Supporting Services: Help Desk Additional support services**

1.59.1. The Help Desk must be able to provide access for Users to additional support services (including training facilities, training materials, operational support documentation, and consumables) by the commencement of Roll Out and shall provide such access thereafter when requested to do so by POCL.

**1.60. Requirement 526 - POCL Implementation - Supporting Services: Help Desk Resolution of Reported Incidents**

1.60.1. All reported Incidents shall be resolved in line with Service Levels.

**1.61. Requirement 527 - POCL Implementation - Supporting Services: POCL Help Desk**

1.61.1. A dedicated POCL Help Desk staffed by fully trained, qualified and experienced personnel shall be provided working to Service Levels.

**1.62. Requirement 528 - POCL Implementation - Supporting Services: Help Desk Re-Routing of Calls**

1.62.1. Calls made to the POCL Help Desk that are not pertinent to it shall be re-routed to the appropriate point as per Service Levels.

**1.63. Requirement 529 - POCL Implementation - Supporting Services: Help Desk Compliance with POCL Help Service Behavioural Standards**

1.63.1. The Help Desk Service shall comply with POCL help service behavioural standards in accordance with Service Levels.

**1.64. Requirement 530 - POCL Implementation - EPOSS  
Functionality Availability of Services**

1.64.1. If for any reason it is not possible to - or it is decided by POCL not to - make EPOSS functionality immediately available on commencement of Roll Out of the POCL Service Infrastructure, APT functionality shall be available and operational with no adverse system or operational impacts. In effect it shall be a requirement to isolate EPOSS functionality so that it cannot inadvertently be used/misused to the detriment of Customer service and POCL accounting needs.

**1.65. Requirement 531 - POCL Implementation - Training:  
Acceptable Standards in Key Competencies**

1.65.1. Training shall be provided to enable POCL's target audience to achieve acceptable standards in key competencies as defined by POCL by a date consistent with the Project Plan. These competencies shall be reviewed from time to time. For some groups this may mean familiarisation training only. The target audience shall include Users, managers, trainers, auditors and certain non User groups i.e. retail network managers, regional helpline staff, and account teams in business centres. The Contractor shall deliver the training in the manner specified in the solution to this Requirement.

1.65.2. Competence shall be measured by a method agreed between POCL and the Contractor by a date consistent with the Project Plan.

**1.66. Requirement 532 - POCL Implementation - Training: new  
Products and Product Changes**

1.66.1. The Contractor shall train all appropriate staff in the handling of new Products or Product changes, when such staff are trained in the five POCL Core Days before live usage of the POCL Service Infrastructure at their Outlet, as provided for by Requirement 915.

**1.67. Requirement 533 - POCL Implementation - Training: Non  
Interference with Data Transfer or Integrity**

1.67.1. If the POCL Service Infrastructure has a facility to operate in dummy training mode, it shall not interfere with the transfer or integrity of POCL Data.

**1.68. Requirement 534 - POCL Implementation - Training:  
Suitability for Different User Groups**

1.68.1. The Contractor's training solution shall take account of Users' experiences in term of automated products and platforms (ECCO+, APT, ALPS) and their differing abilities to learn. The Contractor shall agree with POCL (such agreement not to be unreasonably withheld or delayed) the training requirements for the different target audiences identified including training required when individuals move between these target audiences. This may include change of Outlet, promotion, new recruits etc.

**1.69. Requirement 536 - POCL Service Infrastructure - OPS:  
Equipment General Requirements**

1.69.1. Peripheral and input devices supplied as part of the elements of the POCL Service Infrastructure on which OPS is provided shall be reliable, robust and easy to use.

1.69.2. Peripheral and input devices supplied as part of the elements of the POCL Service Infrastructure on which OPS is provided shall be capable of detecting contention, premature removal/swapping of Tokens etc. as appropriate.

**1.70. Requirement 537 - POCL Service Infrastructure - SMS:  
System Management**

1.70.1. The Contractor shall carry out system management of all the POCL Services in a consistent and coherent manner to ensure the following:

a)activities within the POCL Services, including TMS, OPS, OBSCS, APS and EPOSS, are co-ordinated such that, for example, changes and faults can be tracked across Service boundaries;

b)changes to the POCL Services can be made speedily and accurately.

**1.71. Requirement 538 - POCL Service Infrastructure - SMS:  
Synchronisation of Time**

1.71.1. SMS shall provide a facility for synchronising the date and time across the POCL Services and the POCL Service Infrastructure. This shall cater for the handling of clock changes (e.g. at the beginning and end of British Summer Time).

1.71.2. SMS shall permit Transactions to be processed using local time and/or GMT, and all the relevant elements of

the POCL Service Infrastructure shall be able to derive both local time and GMT.

**1.72. Requirement 539 - POCL Service Infrastructure - SMS: Reference Data Handling**

1.72.1. SMS shall maintain Reference Data necessary to the operation of the POCL Service Infrastructure and the POCL Services.

1.72.2. SMS shall receive store and utilise Reference Data from sources outside the control of the Contractor (e.g. the POCL Reference Data System and Client systems).

1.72.3. It shall be possible to implement changes to Reference Data to tight timescales. As an example of such timescales, it shall be possible to implement Reference Data changes consequent on a Budget by start of business on the following day.

**1.73. Requirement 540 - POCL Service Infrastructure - OPS: Equipment Environmental Considerations**

1.73.1. The Contractor shall give due attention to the effects of the Equipment used in the provision of OPS on the environment during manufacture, installation and use. This includes:

- a) use of CFCs;
- b) energy consumption;
- c) recyclability of components;
- d) recyclability of consumables;
- e) waste minimisation;
- f) use of sustainable resources;
- g) disposal of displaced equipment and waste;
- h) making appropriate use of recycled materials.

1.73.2. The Contractor shall adhere to relevant environmental legislation such as the Environmental Protection Act 1990 and publication 'Waste Management: The Duty of Care - A Code of Practice'.

**1.74. Requirement 541 - POCL Service Infrastructure - TMS: Scaleability**

1.74.1. TMS shall be scaleable to meet POCL's business needs from time to time.



1.74.2. This capability shall include the ability to support any Client Transactions re-engineered by POCL, new capabilities developed by POCL and considerable volumes of Transactions needing authorisation from a Client system or a central point in POCL.

**1.75. Requirement 542 - POCL Service Infrastructure - OPS: Continued Support of Operating Systems, Middleware and Applications Software**

1.75.1. The Contractor shall fully support the Software in the POCL Service Infrastructure during the life of the elements of the POCL Service Infrastructure on which such Software is utilised in providing the POCL Services.

**1.76. Requirement 543 - POCL Applications - APS: Tokens**

1.76.1. The APS shall support the following range of Tokens:

- a) Landis & Gyr PISCES Smart Token;
- b) GEC Meters WATERCARD Smart Token;
- c) Schlumberger Smart Key for the water industry;
- d) Schlumberger Smart Key for the electrical industry;
- e) magnetic stripe card;
- f) British Gas Quantum Smart Token;
- g) bar coded documents.

**1.77. Requirement 544 - POCL Applications - APS: Clients/Client Service Types**

1.77.1. The Contractor shall provide the APS to POCL in respect of all its APS Clients as at 15th May, 1996.

1.77.2. The Contractor shall provide the APS such that Clients or APS Client Service Types (which conform to generic APS) may be added to, modified or removed from, the APS on a regular basis.

1.77.3. The Contractor shall provide assistance to implement an interface to additional third party applications/Tokens if so required by POCL.

1.77.4. The Contractor shall provide technical assistance to support POCL's relationship with Clients and potential Clients.



1.77.5. The Contractor shall develop and maintain the APS in a generic way that enables additional APS Client Service Types to be added with minimum cost and disruption.

**1.78. Requirement 545 - POCL Applications - APS: Documentation**

1.78.1. The Contractor shall provide technical and overview documentation describing the APS by a date consistent with the Project Plan. The technical and overview documentation shall be in sufficient detail to allow POCL to market the APS to Clients and potential Clients and to consider the suitability of additional services.

1.78.2. The Contractor shall agree the content of the technical and overview documentation with POCL.

1.78.3. The Contractor shall develop and maintain an AP Client Specification which specifies the details of each Client/Client Service Type of the APS, including but not limited to the Client interface specification, the presentation of information on OPS, the data involved and any necessary timings.

1.78.4. AP Client Specification contents shall include:

1. Client identity and overview

This section identifies the Client for whom a specific instance of the APS is to be provided and provides an overview of the Client's business objectives in relation to the APS.

2. Tokens and Methods of Payment

A description of the Token(s) that the Client requires its customers to use and the Method(s) of Payment that are acceptable to the Client.

3. Transaction data

- Contents;
- Validation;
- Sort/Substitution/Customisation;
- Batching;
- Transfer.

4. Other data

- Contents;
- Validation;

- Availability.
- 5. Client service levels
- 1.78.5. The Contractor shall agree the content of the AP Client Specification with POCL before the activation of APS for that Client.
- 1.79. Requirement 546 - POCL Applications - APS: General Constraints
- 1.79.1. The Contractor shall deliver the APS using the POCL Service Infrastructure.
- 1.79.2. The Contractor shall make the APS available at all Counter Positions, subject to the limits contained in Annex 5 of Schedule A12, and at such other places where the POCL Service Infrastructure exists.
- 1.79.3. The Contractor shall ensure that the availability of each APS Client Service Type at each Outlet is individually controllable on authority from POCL.
- 1.80. Requirement 547 - POCL Applications - APS: Data Capture and Validation
- 1.80.1. The Contractor shall ensure that data are captured correctly, robustly, accurately, securely and as agreed with POCL.
- 1.80.2. The APS shall, as a minimum, validate data, whether read from Tokens or entered by the User, in accordance with a set of rules identified in:
  - a) POCL APS Generic Rules;
  - b) Token Technology Specifications;
  - c) the AP Client Specification.
- 1.80.3. The APS shall check data, whether read from Tokens or entered by the User, against any valid Client data or Reference Data for the Client Service Type (e.g. stop lists) and take the action prescribed in the relevant AP Client Specification or Token Technology Specification.
- 1.80.4. The APS shall display User instructions specific to a Client Service Type as identified in the relevant AP Client Specification.
- 1.81. Requirement 548 - POCL Applications - APS: Transaction Committal
- 1.81.1. The APS shall commit the Transaction when:

- a) monies have been accepted; or
- b) a Transaction has been reversed; or
- c) a Token has been issued; or
- d) a Smart Token has been accessed (including an abandoned or enquiry Transaction).

**1.82. Requirement 549 - POCL Applications - APS: Transaction Reversal**

1.82.1. The APS shall enable the Reversal of committed Transactions if eligible for Reversal as defined in:

- a) POCL APS Generic Rules;
- b) Token Technology Specifications;
- c) AP Client Specification.

1.82.2. The Contractor shall provide a secure and auditable process for dealing with such Reversals.

**1.83. Requirement 550 - POCL Applications - APS: Update of APS Tokens**

1.83.1. The APS shall write data to APS Tokens in accordance with the rules identified in the appropriate Token Technology Specification, AP Client Specification and POCL APS Generic Rules.

**1.84. Requirement 551 - POCL Applications - APS: Receipting**

1.84.1. The APS shall produce a Transaction receipt for each committed Transaction.

1.84.2. The Transaction receipt shall include, as a minimum, information sufficient to provide a Transaction audit, plus any other information identified in the appropriate AP Client Specification and Token Technology Specification.

1.84.3. The receipt produced for a Reversal Transaction shall identify it as a Reversal and identify the original (reversed) Transaction.

1.84.4. In the event of printer failure the APS shall provide information to enable a manually completed receipt to be produced.

1.84.5. The APS shall enable individual Outlets to produce bilingual receipts (Welsh/English).

1.84.6. The APS shall support retrieval of Transaction information for the purpose of resolving Customer queries in the Outlets and this may be by retention of a duplicate receipt or by other means.

**1.85. Requirement 552 - POCL Applications - APS: Transaction Collection / Delivery**

1.85.1. The APS shall maintain and deliver committed Transactions to POCL and Clients in accordance with the following:

- a) POCL APS Generic Rules;
- b) the appropriate AP Client Specification;
- c) Token Technology Specification.

**1.86. Requirement 553 - POCL Applications - APS: Client Data Collection and Distribution**

1.86.1. The Contractor shall ensure that Data Files from POCL and Clients are collected/received and validated in accordance with the relevant AP Client Specification, Token Technology Specification and POCL APS Generic Rules.

1.86.2. The Contractor shall ensure that Data Files from POCL and Clients are available to all, groups of, or specific Outlets in accordance with the appropriate AP Client Specification, Token Technology Specification and POCL APS Generic Rules.

**1.87. Requirement 554 - POCL Applications - APS: Fallback and Recovery**

1.87.1. The Contractor shall provide fallback facilities for the APS in situations when a User is unable to use part or all of the POCL Service Infrastructure (for whatever reason) and this provision shall maintain the integrity, auditability, security and levels of Customer service.

1.87.2. The Contractor shall ensure that following an Incident that adversely affects the integrity of APS data, the APS is automatically recovered to a known position and each User is able to identify what Transaction data have to be re-entered.

1.87.3. The Contractor shall ensure that following an Incident any previously recorded APS data which may have been corrupted are discarded.

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- 1.87.4. The APS shall provide facilities for the re-input (Recovery) of previously captured Transaction data which have been lost following an Incident.
- 1.87.5. The APS shall provide facilities for the input (Recovery) of the details of Customer Transactions performed whilst the OPS was unavailable.
- 1.87.6. The APS shall provide facilities to enable data Recovery to be achieved swiftly and in an auditable way.
- 1.87.7. The APS shall enable data Recovery to be achieved with minimal impact to Customer service.
- 1.87.8. The APS is not required to produce a receipt for recovered Transactions (a receipt would have been produced, either manually or automatically produced, at the time of the counter Transaction).
- 1.87.9. The APS shall facilitate the over-riding of certain validation rules for recovery Transactions, as specified in the POCL APS Generic Rules.
- 1.88. Requirement 555 - POCL Service Infrastructure - OPS: Capabilities on Initial Implementation
- 1.88.1. In each Outlet, at each automated Counter Positions, from Roll Out at such Outlet, OPS shall:
- a) support the reading of track 2 from magnetic stripe cards complying with ISO 7811 parts 1-4;
  - b) support the reading from and writing to Smart Tokens complying with:
    - ISO 7816 parts 1 and 2;
    - and /or ISO 7816 parts 1, 2 and 3;and be capable of supporting future applications complying with:
    - ISO 7816 part 4.
  - c) support magnetic stripe cards and Smart Tokens that do not match the above standards in all respects (e.g. where embossing is not in the correct position, or the magnetic stripe does not adhere fully to the standards set out in paragraph 1.1) save to the extent specified in the Solution to this Requirement;
  - d) support the reading of one dimensional bar-codes. The maximum bar-code width to be read shall be 10.9 cm at a resolution of 9 mils. OPS shall support, at minimum code 128, EAN 8, EAN 13, code 39.



1.88.2. In each Outlet from Roll Out at such Outlet EPOSS shall:

- a) support printing on manually fed pre-printed forms at the counter, for example Girobank summary forms G4631, G4632 and G4633;
- b) support printing on cheques and other forms at the counter;
- c) support printing of existing Client reports at the counter. This shall include printing in large fonts and printing with 90 degree rotation;
- d) support the connection of electronic weighing scales (which shall not be supplied under the Codified Agreement) to the POCL Service Infrastructure. As a minimum, connections shall include Avery Berkel type D104 and A702. It shall be possible to share a set of weighing scales between two or more Counter Positions at which the POCL Service Infrastructure has been installed;
- e) support the printing of reports necessary to meet existing Client commitments;
- f) support the printing of cash accounts and plain paper summaries;
- g) support the printing of PDF417 two dimensional bar-codes on forms generated through back office processing. Typically the two dimensional bar-code shall be used to contain cash account information;
- h) support the printing of one dimensional bar-codes at the counter on forms as well as tally roll print, if such support is provided for in the Solution to this Requirement. As a minimum, code 128, EAN 8, EAN 13 and code 39 shall be printable;
- i) support the printing of one dimensional bar-codes at the back office, if such support is provided for in the Solution to this Requirement. As a minimum, code 128, EAN 8, EAN 13 and code 39 shall be printable.

**1.89. Requirement 557 - POCL Service Infrastructure - OPS: Flexibility**

1.89.1. OPS and the elements of the POCL Service Infrastructure on which OPS is provided shall have the flexibility for additional peripheral equipment to be added in the future, including input devices and printers.



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- 1.89.2. POCL shall have the option to add up to three types of additional peripheral equipment.
- 1.89.3. POCL shall have the option to require OPS to support the reading of OCR to interpret code lines on bills etc. If such option is exercised, the Charges for such Service shall be as set out in the Solution to this Requirement.
- 1.89.4. POCL shall have the option to require OPS to support the reading of two dimensional bar-codes. If such option is exercised, the Charges for such Service shall be as set out in the Solution to this Requirement.
- 1.89.5. POCL may, as an Additional POCL Service, require OPS and the elements of the POCL Service Infrastructure on which OPS is provided to be linked to teller cash dispensers. Such Additional POCL Service shall be subject to agreement with the Contractor.
- 1.90. Requirement 558 - POCL Service Infrastructure - OPS: Equipment Capacity
- 1.90.1. The OPS shall support the POCL imperative of keeping Transaction times to a minimum.
- 1.90.2. The OPS shall be capable of supporting the entire range of business transacted at Outlets for current volumes of business and volumes of business as projected by POCL.
- 1.91. Requirement 559 - POCL Service Infrastructure - OPS: Extent
- 1.91.1. OPS shall be provided in each Outlet.
- 1.91.2. OPS shall have the ability to support the automation of all Transactions performed at Counters Positions.
- 1.91.3. From Roll Out in each Outlet OPS shall be capable of supporting APS, OBCS and EPOSS in that Outlet.
- 1.92. Requirement 560 - POCL Service Infrastructure - OPS: Technology Refresh
- 1.92.1. POCL wishes to take advantage of changes in technology during the term of the Codified Agreement.
- 1.92.2. No change shall be made to the specification of equipment to be used within the POCL Service Infrastructure, without approval by POCL.
- 1.92.3. The specification of the equipment being used and installed within the POCL Service Infrastructure shall

be reviewed by the parties at times reasonably agreed by them, to ensure that the most appropriate technology is deployed.

**1.93. Requirement 561 - POCL Service Infrastructure - OPS: Licence Indemnities**

1.93.1. The Contractor shall indemnify POCL against any dispute of the Contractor's or POCL's right to utilise the Hardware, Software or any information used for any of the POCL Services (e.g. third party challenges with reference to licensing or Intellectual Property Rights). In the event of any such dispute, the Contractor shall ensure that there is no impact on the level of the POCL Services.

**1.94. Requirement 691 - POCL Applications - EPOSS: Inventory Management**

1.94.1. EPOSS shall support cash management by denomination and Stock management by Stock Item.

1.94.2. EPOSS shall support the recording of Transfers of cash and Stock into and out of the Outlet.

1.94.3. EPOSS shall provide a facility to allow the authorised update of cash and Stock held in an Outlet via the OPS.

**1.95. Requirement 692 - POCL Applications - EPOSS: Methods of Payment**

1.95.1. EPOSS shall accept single or multiple Methods of Payment as settlement.

1.95.2. EPOSS shall allow the implementation of new types of Methods of Payment, including without limitation debit cards and EFTPOS.

1.95.3. The Contractor shall indicate their proposals to implement an EFTPOS Service.

1.95.4. The Contractor shall be aware that:

a) POCL may require an EFTPOS facility as Method of Payment on EPOSS, probably just debit cards initially (e.g. Switch, Connect) but perhaps extending to credit cards later, (e.g. Visa and Mastercard). The capability to handle both debit and credit cards from commencement of such a facility;

b) indicative volumes for EFTPOS at 15th May 1996 were:

\* between 30 and 50 million EFTPOS payments per annum;

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- 70% above the floor limit (£15 working assumption) and so needing authorisation;

c) the main Transactions for which EFTPOS will be used are expected to be:

- motor vehicle licence renewals (34%), bill payments (38%, about half BT and half others);
- television licence payments (11%) and payment for purchases from PostShops (5%), all estimates;
- other likely Transactions leading to EFTPOS are expected to include travel insurance and bureau de change and cash withdrawals;
- there would be no Cash-Back option initially;

d) business arrangements have not yet been finalised but the current assumptions are for:

- a single Merchant Acquirer;
- on-line authorisation and batch Transaction submission to be via TMS;
- reconciliation of EFTPOS payments on the EPOSS Transaction log with an electronic data stream version of the daily bank account updates;
- signed receipts may be stored in the Outlets, remitted to Distribution Centres or dispatched to a central facility (which the Contractor may wish to offer);
- POCL expects to need to retrieve receipts in order to prove Transactions at 0.2% or between 60,000 and 100,000 per annum at above volumes.

1.95.5. POCL requires guidance from the Contractor as to the options for EFTPOS on the particular facilities being proposed and the relative costs and benefits of each.

#### 1.96. Requirement 693 - POCL Applications - EPOSS: Receipting

1.96.1. EPOSS shall allow production of a VAT receipt for Customers at the end of each Customer Session, but before the next Transaction is entered.

1.96.2. EPOSS shall allow automatic production of a non VAT receipt for Customers to support a specific POCL Service e.g. APS.

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- 1.96.3. The Contractor shall agree the format of all styles of receipts with POCL by a date consistent with the Project Plan.
- 1.96.4. A bilingual Welsh/English receipt header and footer is required in designated Outlets.
- 1.96.5. EPOSS shall allow production of additional (duplicate) receipts and they shall be marked as such.
- 1.97. Requirement 694 - POCL Applications - EPOSS: Data Capture**
- 1.97.1. The Contractor shall provide a point of sale / "Till" function to record all sales.
- 1.97.2. Data shall be automatically recorded in EPOSS if captured during another POCL Service at the point of sale.
- 1.97.3. EPOSS shall allow the manual input by the User of weight values where scales are not linked.
- 1.97.4. EPOSS shall be event driven so that both data capture and the recording of POCL Services are dynamic (e.g. the swiping of a magnetic stripe card initiates the Transaction).
- 1.97.5. EPOSS shall have the facility to read data from any input device supplied as part of the POCL Service Infrastructure used in providing OPS.
- 1.98. Requirement 695 - POCL Applications - EPOSS: Stock Unit Control**
- 1.98.1. EPOSS shall provide the facility to adjust cash and Stock levels within a Stock Unit to reflect the actual levels on hand.
- 1.98.2. EPOSS shall provide each Outlet with the flexibility to set up Stock Unit(s) according to the local working practice requirement.
- 1.98.3. Within EPOSS there shall be a Stock Unit management facility at Outlet level to change Stock Unit options and assignments.
- 1.98.4. The Contractor shall be aware that Stock Units are individual units of accountability which contain Stock (fixed price Stock Items, Customer and Client specific Tokens, retail Stock Items, cash and Transaction Vouchers for a POCL Outlet Accounting Period.
- 1.98.5. EPOSS shall allow a User or group of Users to be accountable for a Stock Unit, so that each Outlet has at

least one Stock Unit, but there can be other Stock Units, effectively operating independently.

- 1.98.6. Each Stock Unit can in turn be tied to both a User or group of Users or a single Till or group of Tills.
- 1.98.7. EPOSS shall allow each Stock Unit to be Balanced individually. The Stock Unit may be Balanced more than once within a POCL Outlet Accounting Period. Cash and Stock Items shall be entered by denomination or Stock Item level. This applies whether or not multiple Tills are linked to a single Stock Unit.
- 1.98.8. At the end of the POCL Outlet Accounting Period an Outlet Balance is struck with the details provided by the Balanced Stock Units.
- 1.98.9. An Outlet brings to account manual voucher Transactions including Transaction Vouchers, automated voucher Transactions including Transaction Vouchers, reports the Suspense Account position and the Stock and cash totals within the approved Cash Account format.
- 1.98.10. The cycle is repeated in the new POCL Outlet Accounting Period with an Outlet Balance brought forward value that includes the Stock and cash in hand, Suspense Account and loss and gain position from the previous POCL Outlet Accounting Period.
- 1.98.11. EPOSS shall provide a secure mechanism for controlling access to a Stock Unit.

#### 1.99. Requirement 696 - POCL Applications - EPOSS: Reporting

- 1.99.1. EPOSS shall allow production of a daily Report that shows, at Outlet level, the cash holdings by individual denomination of bank note and coin. The format of the report shall be agreed by POCL and the Contractor by a date consistent with the Project Plan.
- 1.99.2. EPOSS shall support the summarisation of daily and weekly Transaction Vouchers at Stock Unit level.
- 1.99.3. EPOSS shall support a reporting facility to print on Client cut sheet stationery where the Client requires it (including without limitation Girobank daily summaries).
- 1.99.4. The Contractor shall be aware that Girobank is only an example - POCL needs to keep the flexibility to print on other cut sheets e.g. tax discs/cheques in due course.
- 1.99.5. The format of all styles of receipts shall be agreed by POCL and the Contractor by a date consistent with the



Project Plan. A bilingual Welsh/English version is required in designated Outlets.

1.99.6. EPOSS shall allow production of duplicate receipts and they shall be marked as such.

1.99.7. EPOSS shall support a reporting facility to print on Client cut sheet stationery to support Girobank and the Postmaster's Daily Record (PDR) summarisation.

1.99.8. EPOSS shall support reporting by journal/tally roll and on A4 sheets to Client requirements at both Stock Unit and Outlet levels, with the format to be agreed by a date consistent with the Project Plan.

1.99.9. EPOSS shall allow reporting to be previewed on screen.

**1.100. Requirement 697 - General - Audit: Access**

1.100.1. The Contractor and his sub-contractors shall keep or cause to be kept Records (including financial records) of all Services, covering materials and POCL Services provided, timesheet records, contracts let to sub-contractors and Charges levied to POCL. These Records shall not be more detailed than those held by the Contractor for its own audit purposes.

1.100.2. The Contractor shall permit POCL or POCL'S representatives (including those bodies listed in paragraph 2.1 of Schedule A03) unrestricted access to the Records for the purpose of auditing and reporting on the performance, including charging and accounting aspects, of the POCL Services.

1.100.3. Such access shall be provided on request and shall include access to premises, facilities, Services, documentation, information (magnetic or otherwise), staff, procedures, timesheets and other data used directly as a basis for charging belonging to the Contractor which relate to the provision of the POCL Services.

1.100.4. The Contractor shall implement audit recommendations in accordance with provisions of the change control procedures.

1.100.5. The Contractor shall provide within reasonable timescales either documentary or demonstrable evidence of such changes and shall if required provide access to the POCL'S representatives to monitor and confirm the implementation of such changes.



**1.101. Requirement 698 - General - Security: Policy**

1.101.1. The Contractor shall minimise and control liabilities to itself and POCL.

1.101.2. The Contractor shall, by a date consistent with the Project Plan, set up an organised security infrastructure covering:

- a) the agreement of a security policy;
- b) allocation of security responsibilities;
- c) security education and training;
- d) reporting security incidents;
- e) physical security control;
- f) virus control;
- g) business continuity;
- h) control of Software;
- i) safeguarding POCL records;
- j) information classification;
- k) compliance with data protection and other legislation;
- l) information exchange control;
- m) Contractor's sub-contractors and suppliers;
- n) compliance with security policy;
- o) the management of fraud and risk during service operation.

1.101.3. The Contractor shall be compliant with BS7799.

**1.102. Requirement 699 - General - Audit: Trail**

1.102.1. An audit trail shall be maintained during periods of POCL Service operation including fallback and Recovery.

1.102.2. The audit trail shall record all Data File transfer, messaging and processing, whether as a result of manual or automated action.

1.102.3. The information recorded shall be sufficient to identify the action, by whom it was undertaken, when it was undertaken, why it was undertaken, where it was undertaken and the resulting outcome.

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- 1.102.4. The audit trail shall allow activities that utilise more than one of the POCL Services to be traced across the POCL Services from start to finish, or from an intermediate POCL Service in any direction, with certainty.
- 1.102.5. The audit trail shall provide information to allow the original Transaction to be recreated.
- 1.102.6. The content of the audit trail shall be agreed with POCL by a date consistent with the Project Plan.
- 1.102.7. Subject to Clause 801, audit trail records shall be retained for a period consistent with Companies Act requirements, or for a period of eighteen (18) months, whichever is longer.
- 1.102.8. The audit trail shall be available for inspection by POCL or their representatives as listed in paragraph 2.1 of Schedule A03.
- 1.102.9. The audit trail shall have a level of security such that it cannot be altered or deleted.
- 1.102.10. The integrity of the audit trail shall be continued during periods of partial or complete service loss or failure.
- 1.102.11. The audit trail shall comply with Requirement 829.
- 1.102.12. Technological changes to the POCL Services or the POCL Service Infrastructure shall not render the audit trail unusable.
- 1.103. Requirement 799 - POCL Applications - APS: Token Issue
- 1.103.1. The Contractor shall provide a facility that permits the issue at Outlets of replacement APS Tokens and APS Tokens for new Customers, as directed by POCL.
- 1.104. Requirement 800 - POCL Applications - EPOSS: Serve Customers (A)
- 1.104.1. EPOSS shall support the recording of all Transactions between the Customer and the User.
- 1.104.2. EPOSS shall allow the selection of Customer Sessions to allow for:
- a) normal Customer service; or
  - b) a Refund; or

c)a Reversal.

1.104.3. EPOSS shall uniquely identify a Customer Session and each Transaction within the Balancing Period.

1.104.4. EPOSS shall allow Customer Session completion to be implemented in a way to encourage a 'one Customer one session' rule.

1.104.5. EPOSS shall provide a cash tendered facility to calculate change due to the Customer. Use of this feature shall be at the discretion of the User and not forced by EPOSS.

**1.105. Requirement 801 - POCL Applications - EPOSS: Product Styles**

1.105.1. EPOSS shall support the current range of business performed within Outlets e.g.

a)Value Stock;

b)Method of Payment;

c)a counter shortage known as a "loss";

d)a counter overage known as a "gain";

e)a POCL Product;

f)an inpay supported by a Client voucher (receipt);

g)an outpay supported by a Client voucher (payment).

1.105.2. EPOSS shall support the Customer Transaction by price type as follows:

a)fixed price - where the price is held by EPOSS; or

b)variable price (open) - where the User enters the actual price. If the valid range excludes zero the User is forced to enter a non zero price; or

c)variable price (default) - where the default price is non zero. The User can either accept this price or overtype to change it within the valid range.

1.105.3. Where necessary Composite Products shall be declared at individual denomination or item level by the User as part of the Balancing activity.

**1.106. Requirement 802 - POCL Applications - EPOSS: Value Stock Management**

1.106.1. EPOSS shall maintain the current Stock record for Value Stock items and Methods of Payment to reflect the Transactions completed, e.g. if a postal order and the Associated Fee are sold for cash the Stock of the former is decreased and that of the cash is increased.

1.106.2. EPOSS shall allow compensatory corrections of errors to be made without the need to perform a Reversal or a sale.

**1.107. Requirement 803 - POCL Applications - EPOSS: Data Resilience**

1.107.1. EPOSS shall accurately maintain data and record all Transaction Sessions as double entries.

1.107.2. If EPOSS is interrupted or fails during a Customer Session the POCL Service Infrastructure shall ensure that data capture is resilient and consistent with the need to retain a balanced status.

**1.108. Requirement 804 - POCL Applications - EPOSS: Transaction Log / Inspection**

1.108.1. A journal of all Transaction data shall be available to allow the User to refer back to a previous Transaction.

1.108.2. EPOSS shall provide a Transaction log for any Balancing Period in the POCL Outlet Accounting Period to allow the User to refer back to a previous Transaction.

1.108.3. The Transaction log may be used in conjunction with a Transaction Reversal by the User to identify the unique Transaction Id.

1.108.4. The Transaction log shall be easily accessible to the User for the resolution of enquiries.

**1.109. Requirement 805 - POCL Applications - EPOSS: Audit / Event Log and Inspection**

1.109.1. EPOSS shall maintain a log of Transactions attempted and actioned at Stock Unit level.

1.109.2. EPOSS shall provide an audit/Event log for any Balancing Period in the current POCL Outlet Accounting Period by Stock Unit.

1.109.3. EPOSS shall provide a facility to allow the User to inspect activities on the Stock Unit within the POCL

Outlet Accounting Period so that, without limitation all attempts to access a Stock Unit can be detected.

1.109.4. The audit/Event log shall be readily available to the User for the resolution of enquiries.

**1.110. Requirement 806 - POCL Applications - EPOSS: Set Date and Time**

1.110.1. The date and time within EPOSS shall be accurately maintained and remain in step with Greenwich Mean Time and/or British Summer Time as appropriate.

**1.111. Requirement 807 - POCL Applications - EPOSS: Transfers between Stock Units**

1.111.1. EPOSS shall allow the movements of Value Stock Items and Methods of Payment into and out of Stock Units within the same Outlet to be recorded.

1.111.2. The data recording a movement shall be entered in a Transaction Session similar to a Customer Session except that the session total comes to the Transfer total rather than to zero. However, EPOSS shall adjust overall item Stock levels when the data entry session is complete so that the "balance" of the Stock Unit is maintained.

1.111.3. Each movement is entered to the current Balancing Period for the Stock Unit.

**1.112. Requirement 808 - POCL Applications - EPOSS: Outlet Balance**

1.112.1. EPOSS shall provide a facility to reconcile Non-value Stock Stock Items with unique serial numbers.

1.112.2. Reconciliation shall be by volume and by Stock Unit as:

a) number on hand at the start of the POCL Outlet Accounting Period (plus);

b) number received (equals);

c) number on hand at close of POCL Outlet Accounting Period (plus);

d) number issued/spoilt/returned.

1.112.3. EPOSS shall provide a Suspense Account facility where items that cannot be cleared operationally during one POCL Outlet Accounting Period can be identified and carried forward to the next.

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1.112.4. EPOSS shall provide an on demand Outlet Balance Report to a POCL agreed format, this format shall be agreed by a date consistent with the Project Plan. This Report shall provide a "snap shot" of the Outlet position within the current POCL Outlet Accounting Period.

**1.113. Requirement 809 - POCL Applications - EPOSS: Customer Session**

1.113.1. Within a Customer Session EPOSS shall maintain:

- a) a running record of all Transactions performed;
- b) the current balance;
- c) the accounting sense (pay out/take in);
- d) settlement details.

1.113.2. Multiple Transactions for the same Customer shall be logically grouped into a single Customer Session.

**1.114. Requirement 810 - POCL Applications - EPOSS: Transaction Rules**

1.114.1. EPOSS shall allow the Refund or Reversal of a Transaction according to Client and POCL accounting and business rules as agreed between the parties from time to time. EPOSS shall enable certain Transactions not to be refundable or reversible to comply with any changes to the Client and POCL accounting and business rules as agreed with POCL from time to time.

1.114.2. EPOSS shall be able to validate Transaction details against Reference Data.

1.114.3. EPOSS shall provide the ability to Rate Shop against a value input for a fixed price POCL Product.

**1.115. Requirement 811 - POCL Applications - EPOSS: Data Transmission**

1.115.1. EPOSS shall allow TMS to pass all recorded information to authorised remote locations (e.g. TIP).

1.115.2. EPOSS shall be flexible enough to support the introduction of new POCL Services for Clients in an integrated manner and ensure that any new POCL Product can be added, and that EPOSS is automatically updated.



**1.116. Requirement 812 - POCL Applications - EPOSS:  
Transaction Reversal**

1.116.1. EPOSS shall allow Reversals for Customer Transactions and Transfers either within the Outlet or to a remote location.

1.116.2. EPOSS shall allow Reversals to be entered for normal Transactions (but not for Reversals) as follows:

1.116.3. only for Customer Transactions which are not part of other POCL Services (e.g. APS) or disallowed in Reference Data supplied by POCL to the Contractor from time to time.

1.116.4. EPOSS shall permit Users to enter a Reversal which needs not correspond to a particular Transaction on the Transaction log identified by the User according to Client and POCL accounting and business rules as agreed between the parties from time to time.

**1.117. Requirement 813 - POCL Applications - EPOSS:  
Revaluation of Value Stock**

1.117.1. EPOSS shall allow revaluation of fixed price Value Stock Stock Items and Methods of Payment when the price changes.

1.117.2. (Note: While price changes would not normally apply to Methods of Payment, it is a desirable feature in case of future alternative currencies, e.g. the "Euro". However, the remainder of this requirement is written in terms of Value Stock.)

1.117.3. When a price changes for a fixed price Value Stock Stock Item, the Stock value must change to maintain the relationship  $\text{Stock value} = \text{Stock quantity} \times \text{price}$ . The change in Stock value must be "balanced" by one or more Transactions for designated POCL Products (and thence reported on designated Cash Account lines). Thus the requirement for maintaining an equal and opposite effect on the Stock Unit is maintained.

1.117.4. EPOSS shall allow efficient revaluation of multiple Value Stock Stock Items of the same generic type e.g. postal order fees.

1.117.5. EPOSS shall ensure that only Value Stock Stock Items allowed in Reference Data provided by POCL to the Contractor from time to time can be accessed.

**1.118. Requirement 814 - POCL Applications - EPOSS: Enter Cash on Hand**

1.118.1. EPOSS shall provide a function to record the value of cash held in the Stock Unit by denomination for two distinct purposes:

a) as part of the Cash Flow Reporting process;

b) as part of the Stock Unit Balancing process.

1.118.2. The dialogue to record the information screen may be common for both activities to avoid unnecessary duplication when Balancing.

1.118.3. The Cash Flow/Balancing reporting process aspect of EPOSS may be used at any time but is normally used daily as part of the end of day activity.

1.118.4. The EPOSS shall allow entry by cash value for each denomination and total value declared (EPOSS validating each field entry as numeric). The total entered is used in the Stock Unit Balance Report and the difference between this total and the EPOSS maintained figure for the cash Method of Payment Stock value generates a loss or gain.

1.118.5. The EPOSS maintained Stock value for the cash Method of Payment is not altered during the process. The User is advised of any discrepancy to warn of potential errors and (in Balancing) the implied balancing loss or gain.

1.118.6. A zero cash holding is declared by using the function in the normal way and confirming zero entries.

1.118.7. EPOSS shall allow the last known declaration to be carried forward for Cash Flow reporting purposes where no activity has occurred to change the last known cash position. This is required to cater for rest days including Outlets that shut on Saturdays etc.

1.118.8. In Outlets that Team Work EPOSS shall allow cash declaration across all the Tills that contribute to the Stock Unit position.

**1.119. Requirement 815 - POCL Applications - EPOSS: Process Dormant Stock Units**

1.119.1. EPOSS shall allow a facility to bring unused Stock Units (and their Stock Unit information) forward into the next POCL Outlet Accounting Period.

1.119.2. An unused Stock Unit is one for which no activity has taken place since its most recent final Balance.

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1.119.3. This facility may be used at any time to ensure that all Stock Units registered in an Outlet are recorded as fully up to date, prior to producing the Cash Account for that POCL Outlet Accounting Period.

1.119.4. The co-ordination of this activity is under the control of the Outlet Manager.

**1.120. Requirement 816 - POCL Applications - EPOSS: Audit**

1.120.1. A complete set of Outlet Records, for a rolling period of 18 months, shall be maintained as available for retrieval and review (but not amendment).

1.120.2. On retrieval all Records shall be packaged in weekly batches as a complete POCL Outlet Accounting Period cycle.

1.120.3. Outlets require record retrieval on demand for the previous two (2) complete POCL Outlet Accounting Periods. Older records shall be made available at 24 hours notice.

1.120.4. EPOSS shall support the recording of all Events and data entries including fallback and Recovery actions.

1.120.5. EPOSS requires entry of User identity and password to access the Service.

1.120.6. Each facility within EPOSS shall have an associated User authority level (clerk, supervisor, manager). EPOSS shall also provide reasonable safeguards against accidental or deliberate access by other than the normal means to Software or data.

1.120.7. Within an Outlet there shall be a facility to maintain and allocate a User access and privilege level log.

**1.121. Requirement 817 - POCL Applications - EPOSS: Discounting**

1.121.1. EPOSS shall allow discounting for all discountable POCL Products. A list of discountable POCL Products shall be maintained in Reference Data supplied by POCL.

1.121.2. EPOSS shall allow discount by an entered percentage for the last Transaction or for all discountable POCL Product Transactions in the Customer Session.

1.121.3. EPOSS shall allow discount by an entered value for the last Transaction or for all discountable POCL Product Transactions in the Customer Session.

**1.122. Requirement 818 - POCL Applications - EPOSS: Reference Data**

- 1.122.1. EPOSS shall provide a facility to update Reference Data files with Reference Data supplied from the POCL Reference Data System. It shall be possible for a date and time stamp to be applied to Reference Data identifying when the change is to be activated, to facilitate timely price changing.
- 1.122.2. EPOSS shall allow the Reference Data content to be presented as a locally produced Report, with changes made in Reference Data by the most recent update clearly identified. When an update to Reference Data is made, each affected local Outlet shall be warned by EPOSS at the start of the next POCL Core Day that a change has been made.
- 1.122.3. EPOSS shall maintain other locally controlled Reference Data. These shall include parameters for POCL Products, POCL Product groups and subgroups, external Transfer sources and destinations.
- 1.122.4. EPOSS shall allow each Outlet to produce various formatted outputs including but not limited to the Cash Account and the Cash Flow Report. Other reporting shall be agreed between the parties during the Operational Trial.
- 1.122.5. Changes to the product range and the internal reporting structure within current principles shall be possible by Reference Data rather than by Software update.
- 1.122.6. EPOSS shall be a robust Service, including features to:
- a) check internal consistency, reporting errors, warning of non critical errors and preventing critical errors;
  - b) refuse deletions if there is dependent business data which would lead to inconsistency of data within the POCL Service Infrastructure;
  - c) make Reference Data available at the counter terminals;
  - d) check Reference Data consistency and report exceptions.

**1.123. Requirement 819 - POCL Applications - EPOSS: The Outlet Trial/Final Cash Account**

- 1.123.1. EPOSS shall sustain a dynamic set of Cash Account tables that allows Outlets to introduce additional reporting lines as new products are introduced within POCL. More than one Cash Account format shall be

supported and currently there are two in use (which shall both be supported) - standard Outlet format and CRU format. Validation rules could be applied to individual line entries.

1.123.2. A Report shall be available in each Outlet that maps Reference Data of POCL Products to the appropriate line(s) of the Cash Account table(s).

1.123.3. EPOSS shall provide a facility to input Cash Account details including week end date and week number. Under certain authorised circumstances an authorised Outlet may produce one Cash Account to span a 2 or 3 week period and this must be managed by EPOSS. Within this variation there is a requirement to correctly associate the week number with a specific Transaction according to a Client's requirements. This is one of either:

a) the week in which the Transaction took place or;

b) the final week in which the Cash Account is produced.

1.123.4. EPOSS shall support the production of the Cash Account in printed and electronic formats. The printed Cash Accounts shall include a 2D bar code.

1.123.5. EPOSS shall allow Users to produce trial Outlet Cash Accounts.

1.123.6. EPOSS shall provide a facility to move forward into the next POCL Outlet Accounting Period once a final Cash Account has been produced.

**1.124. Requirement 820 - POCL Applications - EPOSS: Fallback and Recovery**

1.124.1. EPOSS shall provide a means of controlling User access to its data, processes, and functions (see also requirement 816).

1.124.2. EPOSS shall include fallback procedures for situations where the User cannot use the POCL Service Infrastructure for any reason. These facilities shall maintain the integrity, security and levels of Customer Service consistent with the need to maintain trading.

1.124.3. EPOSS shall ensure that, following an Incident, or if operationally desirable for any other reason:

a) the User can return to a complete and recent position;

b) no corruption of secured data has occurred; and

c) a full Recovery can be effected swiftly and in an auditable manner.



- 1.124.4. EPOSS shall back up Stock Unit and Outlet data in order to support the ability to return to a recent known position for fallback and Recovery. Depending on the specific solution, there may be times within the Cash Account cycle (pre/post Cash Account roll over) when local control of back up is required.
- 1.124.5. EPOSS shall allow Recovery of data to a known recent position. This includes both the Outlet and individual Stock Unit data where necessary to maintain integrity of the EPOSS. Recovery should not itself constitute a risk e.g. a one shot only option. Thus in the event of a power down / power interruption during a Recovery activity further Recovery attempts can be made later.
- 1.124.6. EPOSS shall ensure that the committal process for a Transaction is robust and consistent across all Transaction types so that an interruption does not result in an unrecoverable error.
- 1.124.7. EPOSS shall ensure that in the event of a failure of any part of the POCL Service Infrastructure, Recovery can be performed to a known position and with the minimum of disruption to the User. Data re-entry shall be minimal where previously committed Transactions have to be re-entered.
- 1.124.8. EPOSS shall warn the User where there is the possibility that data are corrupt.
- 1.125. Requirement 821 - POCL Applications - EPOSS: Business Rules**
- 1.125.1. EPOSS shall be flexible enough to provide the ability to define the Transaction range available at specific Outlets, including:
- a) preventing specific Transactions from being available locally (by Outlet);
  - b) declining to use specific non-mandatory Transactions locally (by Outlet);
  - c) modifying specific POCL Products, where allowed in Reference Data provided from time to time to the Contractor by POCL, for specific Outlets.
- 1.125.2. EPOSS shall be flexible enough to introduce new functionality as agreed with POCL.
- 1.125.3. EPOSS shall provide facilities to:
- a) prepare EPOSS Transaction data and EPOSS processed data for export to; and



b)import data from other systems outside the POCL Service Infrastructure.

**1.126. Requirement 822 - POCL Applications - EPOSS: Interface with Inventory Management**

1.126.1. The POCL Service Infrastructure shall be designed such that it can interface into any POCL inventory management systems, and shall have sufficient capacity not to preclude such interfacing.

**1.127. Requirement 823 - POCL Applications - EPOSS: Data Management**

1.127.1. EPOSS shall make Transaction and process data captured through EPOSS available to any POCL Service delivered through the medium of the OPS and specified by POCL as requiring access to data.

1.127.2. EPOSS shall ensure that, in the event of an Incident, data integrity is maintained and that no corruption of data is introduced arising from the interruption of any uncompleted activity.

**1.128. Requirement 824 - POCL Applications - EPOSS: Weighing Scales**

1.128.1. Where an Outlet has electronic scales connected to the OPS, EPOSS shall provide the price for a particular weight of package (provided by the scales), with the contention being handled by the scales accepting or denying a connection by a counter terminal.

1.128.2. The OPS shall request the scales only when needed and can only proceed with the scales associated POCL Service if the scales accepts its request. The OPS shall release the scales as soon as it has finished with them.

**1.129. Requirement 825 - POCL Applications - EPOSS: Serve Customer (B)**

1.129.1. EPOSS shall provide a function to record all sales.

1.129.2. EPOSS shall be event driven so that both data capture and the recording of POCL Services such as APS are dynamic.

1.129.3. All counter Transactions shall be associated with a Customer Session. Multiple Transactions for the same Customer shall be logically grouped into a single Customer Session.

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- 1.129.4. Data shall be automatically recorded in EPOSS if captured during another POCL Service e.g. APS or OBCS.
- 1.129.5. Within a Customer Session EPOSS shall maintain:
- a) a running record of all Transactions performed;
  - b) the current balance;
  - c) the accounting sense (pay out/take in);
  - d) settlement details.
- 1.129.6. EPOSS shall accept single or multiple Methods of Payment as settlement.
- 1.129.7. EPOSS shall provide the flexibility to allow the implementation of new Methods of Payment including EFTPOSS and debit cards.
- 1.129.8. EPOSS shall allow a Customer Session to be suspended and then recalled for completion later. In between the User shall be able to continue to enter and complete further sessions as required.
- 1.129.9. EPOSS shall provide a Void Transaction facility. EPOSS shall enable the use of this facility for certain Transactions to be prohibited according to defined Client and POCL accounting and business rules.
- 1.129.10. EPOSS shall allow the Refund or Reversal of a Transaction with access maintained at User level. Note that certain Transactions shall not be refundable or reversible to comply with Client and POCL accounting and business rules.
- 1.129.11. Some POCL Products are linked and shall remain so within a Transaction, including for Refund/Reversal or voiding purposes, for example a postal order of £1.00 has, currently, an Associated Fee of 25 pence. As part of this linkage, certain Stock Items with no current price shall be re-classified as Value Stock Stock Items e.g. tax discs.
- 1.129.12. EPOSS shall have the facility to accept data, via the POCL Service Infrastructure, from a variety of media such as, Tokens, keyboard, electronic scales, bar codes and to add functionality to accept data from other approved peripheral devices.
- 1.129.13. EPOSS shall allow the input of weight values where scales are not linked.
- 1.129.14. EPOSS shall be flexible enough to support the introduction of new POCL Services for Clients in an integrated manner and thereby ensure that any new POCL

Product is event driven and that EPOSS is automatically updated.

**1.130. Requirement 826 - POCL Service Infrastructure - OPS:  
Future Flexibility for Sharing of Specialist Peripherals**

1.130.1. OPS, and the elements of the POCL Service Infrastructure on which OPS is provided, shall be able to be connected, and shall support such connection, to specialist peripherals in such a way that the specialist peripherals may be accessed by one, two or more terminals.

1.130.2. In such a case it shall be possible to restrict access to a subset of the terminals in each Outlet.

**1.131. Requirement 827 - POCL Service Infrastructure - OPS:  
Ability to Maintain Authorisation Data**

1.131.1. It is likely that, in due course, re-engineered POCL Products shall require specific authorisation, either through access to a computer system external to the POCL Services or within the POCL Services.

1.131.2. The POCL Services and the POCL Service Infrastructure shall be able to be developed to support the maintenance and use of:

a) stop lists;

b) go lists;

c) other authorisation types;

in relation to such POCL Products.

1.131.3. The POCL Services and the POCL Service Infrastructure shall support such authorisations through access to external computer systems.

**1.132. Requirement 828 - General - Security: Data Security**

1.132.1. The confidentiality, integrity, validity and completeness of data shall be maintained throughout all storage, processes and transmissions, including during periods of Service Failure and recovery from Service Failure.

**1.133. Requirement 829 - General - Security: Prosecution support**

1.133.1. The Contractor shall ensure that all relevant information produced by the POCL Service Infrastructure

at the request of POCL shall be evidentially admissible and capable of certification in accordance with the Police and Criminal Evidence Act (PACE) 1984, the Police and Criminal Evidence (Northern Ireland) Order 1989 and equivalent legislation covering Scotland.

1.133.2. At the direction of POCL, audit trail and other information necessary to support live investigations and prosecutions shall be retained for the duration of the investigation and prosecution irrespective of the normal retention period of that information.

**1.134. Requirement 830 - General - Security: Contingency Plans**

1.134.1. The Contractor shall ensure that all POCL Services are supported by contingency plans including fallback Transactions that minimise or negate the impact of failure in any of the POCL Services.

1.134.2. The Contractor shall ensure that the contingency plans for each POCL Service are compatible with an overall service continuity framework.

1.134.3. The contingency plans shall be based on impact and risk assessments and agreed between the Contractor and POCL by a date consistent with the Project Plan.

1.134.4. Ownership of all contingency actions shall be identified in the contingency plans.

1.134.5. The contingency plans shall include activation procedures and time periods within which the contingency measures shall be activated.

1.134.6. The contingency plans shall include a testing strategy with two distinct parts:

a) Initial testing before commencement of Roll Out of POCL Services;

b) Regular testing.

1.134.7. The contingency plans shall include without limitation the following:

a) prevention measures;

b) preparedness measures;

c) contingency measures;

d) Recovery of normal service;

e) contact lists.

1.134.8. The contingency plans shall be subject to joint periodic review by the Contractor and POCL by a process to be agreed by a date consistent with the Project Plan, to ensure that they meet POCL'S aims.

1.134.9. When contingency operation is invoked as a result of a fault of the POCL Services provided by the Contractor, then the provisions of Schedules E08, F08, G10, H08, K08 shall continue to apply.

**1.135. Requirement 831 - End to End Service - POCL Interfaces**

1.135.1. The Contractor shall support the interfaces between (i) the services that run POCL systems and (ii) the POCL Services and the POCL Service Infrastructure Service, as such interfaces are defined in the POCL Interfaces documentation maintained by POCL. These shall include:

a) interfaces from TMS and Outlets to Transaction Information Processing (TIP);

b) interfaces between the POCL operated service that runs the POCL Reference Data System and the POCL Services;

c) interfaces between Outlets, TMS and Clients;

d) TIP / TMS interface for authorisation data:

- \* provide the capability for reconciliation between POCL and its Clients by ensuring TIP receives a copy of all original authorisation data via TMS as specified on an individual Client basis by POCL;

e) interface between POCL SAPADS and TMS.

1.135.2. The POCL Interfaces documentation shall cover: data content in logical groupings, physical layouts, controls (including security), timings, volumes, technical interface specifications (initially options and constraints), configuration management, and contingency arrangements. Versions of the POCL Interfaces documentation containing the then existing interfaces shall be made available to the Contractor within three (3) months after 15th May, 1996.

1.135.3. The POCL Interfaces documentation shall not initially cover further potential interfaces in respect of:

a) EFTPOS;

b) reconciliation and exception reporting;

c) operational management information;



- d)performance monitoring;
- e)inspection of Transaction and Event logs for audit and security purposes;
- f)[not used];
- g)transitional arrangements in relation to 'cash account processing'.

1.135.4. The detailed format of all interfaces shall be agreed by POCL.

**1.136. Requirement 832 - POCL Applications - EPOSS: Business Processes**

1.136.1. The Contractor shall agree with POCL, before commencement of Roll Out of EPOSS, the overall business processes at the counter such that:

- a)the capture of data at the Outlet is complete, accurate and robust e.g. a unique Transaction reference;
- b)any transfer of data is secure, complete, accurate and robust;
- c)whether operating normally or in stand-alone mode the EPOSS shall be capable of validating Transactions by format and value;
- d)in the event of fraud it shall be possible to prove that the POCL Service was operating without defect (see Requirement 829); for appropriate Transactions receipts are automatically generated for Customers and a copy retained in the Outlet to allow recovery or problem resolution;
- e)accountability for cash, Stock and any supporting documentation is maintained by Outlet and User where appropriate;
- f)the Method of Payment is recorded at the point of sale;
- g)the access control system allows segregation of responsibilities. A log of Users and the functions to which they have access shall be available to Outlet managers;
- h)a back up of all Transactions shall be taken each day;
- i>User and device are uniquely identified within each Outlet;
- j)data shall undergo a balancing procedure to enable a final review and authorisation;



- k) Transaction data shall be made available to other services as agreed in each AP Client Specification and the "Pathway to TIP Application Interface Specification", and other POCL Services;
- l) Transaction data not delivered in accordance with the above shall be clearly identifiable;
- m) all Transactions can be reconciled to an appropriate supporting voucher and where necessary these vouchers are to be available for central validation of amounts collected;
- n) an up to date record of cash and Value Stock on hand shall be maintained and current balances can be reported;
- o) all transfers of Stock and cash to and from other Outlets and between Users within an Outlet shall be clearly recorded;
- p) all specified summaries shall be produced automatically when required and all Transactions shall be included since the last summary was completed;
- q) items posted to Suspense Accounts can be identified for future investigation;
- r) information to show compliance with the relevant legislation, including without limitation Health and Safety at Work Act, Data Protection Act, Companies Act is available;
- s) an Outlet shall be able to continue operating and to maintain an audit trail in the event of any failure of the POCL Service Infrastructure.

**1.137. Requirement 833 - POCL Applications - EPOSS: Training Mode**

- 1.137.1. EPOSS shall provide a training mode to allow familiarisation with the package and shall operate in such a way as to preclude any corruption of live data.

**1.138. Requirement 834 - POCL Applications - EPOSS: Transitional / Contingency Arrangements**

- 1.138.1. The Contractor shall ensure that contingency arrangements are available for all Outlets both during and after Roll Out of EPOSS to such Outlets.
- 1.138.2. The Contractor shall give due consideration to the implementation plan for Parent Outlets and Satellite Outlets.

1.138.3. To provide contingency cover during and after Roll Out, EPOSS shall enable each automated Outlet to produce plain paper summaries to a format which shall be agreed by a date consistent with the Project Plan.

1.138.4. The element of the POCL Service Infrastructure at every Outlet shall be capable of printing a 2 dimensional bar-code on any plain paper summary.

**1.139. Requirement 835 - POCL Applications - EPOSS: EPOSS Related**

1.139.1. Benefits encashment and other Automated Transactions shall be integrated with the Transaction recording elements of EPOSS such that:

a) there is no necessity to separately notify the EPOSS of the Transaction;

b) there is a single Transaction Record created and stored locally to provide the basis for Outlet summarisation and Balancing and Transaction level data transfer;

c) Transaction Records created and stored locally shall be entirely consistent with any data transferred at the time of the Transaction to other systems outside the POCL Service Infrastructure;

d) Transaction times are kept to a minimum.

1.139.2. EPOSS shall be capable of providing summaries of any type of Transaction for comparison with physical Records contained within the Outlet. For example EPOSS shall be able to:

a) summarise the quantity of tax discs on hand;

b) summarise the quantity of milk Tokens on hand;

c) list and total cheques accepted by value;

1.139.3. As Transactions become automated the relevant summaries shall be enhanced to include details of items issued/on hand, by individual serial number.

**1.140. Requirement 836 - POCL Applications - EPOSS: Service Development**

1.140.1. PostShops are currently equipped with an EPOS terminal - CRISP (Counters Retail Information Systems in PostShops) - which is a stand alone system. It is desirable, subject to offered solutions, that these be integrated into or replaced by the EPOSS.

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1.140.2. Where an Agent may in future use the OPS for his own business, all POCL Services using the OPS shall identify such Transactions separately from those relating to POCL Services under the Codified Agreement, in particular for financial accounting.

1.140.3. For each Transaction processed at a Counter Position through the POCL Service Infrastructure the following information shall be captured:

a) value of each Transaction;

b) volumes of Transactions;

c) a unique code for each POCL Product across all Clients (e.g. breakdown by denomination of Royal Mail stamps sold);

d) source (e.g. Outlet, User and Till identification);

e) Client reference and Client scheme or product reference for each Transaction;

f) Customer identification and details (e.g. for Transactions involving cheques, passports, motor tax discs);

g) Method of Payment;

h) date and time of the Transaction.

1.140.4. The OPS shall be flexible to support further Services. The Contractor shall be willing to integrate and operate these under the Change Control Procedure, provided that there are no valid technical reasons that preclude their inclusion.

**1.141. Requirement 837 - POCL Applications - EPOSS: Reporting**

1.141.1. EPOSS shall support the production of a variety of Reports in pre-defined formats including:

a) Transaction level Reports by Stock Unit for Clients using pre-printed cut sheets (Client stationery);

b) Transaction level Reports by Stock Unit for Clients printed on plain paper;

c) Reports on the current level of Value Stock Stock Items at Stock Item level;

d) Reports on Transaction volumes and values;

e) Cash Account Reports;

f)reconciliation Reports for Non-value Stock Stock Items  
e.g. milk Tokens, tax discs;

g)Reports on Transfers of cash and Value Stock;

h)ad hoc Reports for management information purposes.

1.141.2. EPOSS shall be able to deliver Reports at the User's discretion, subject to POCL and Client rules on frequency of despatch and POCL Outlet Accounting Periods. Client Reports shall be produced on a daily or weekly basis. Where operationally appropriate, several weekly Reports shall be produced during a POCL Outlet Accounting Period.

**1.142. Requirement 838 - POCL Applications - EPOSS: General**

1.142.1. EPOSS shall have the facility to allow input of Transaction related data after the event for items required for management information purposes (e.g. for Clients, Agents pay) which may not impact on the Outlet Balance e.g. non-Value Stock Stock Items, value recorded for information only.

1.142.2. EPOSS shall also support the input of data for local schemes where the value is not recorded for accounting purposes but the volume is.

**1.143. Requirement 839 - POCL Applications - EPOSS: Retail Functionality**

1.143.1. EPOSS shall provide the point of sale retail functionality in use in PostShops. This includes, but is not restricted to:

a)Till functionality;

b)discounting;

c)coupon management;

d)multibuys;

e)promotions;

f)marketing;

g)reporting.

**1.144. Requirement 869 - POCL Service Infrastructure - Service Levels: Transaction Monitoring System (TMS)**

1.144.1. POCL is not concerned with the performance of individual elements of the POCL Services per se. The

primary concern is with the overall performance of the POCL Services as they impact upon POCL'S own systems, Clients, staff, Agents and Customers. Therefore, targets for the level of internal performance between POCL Services shall not be set by POCL. However internal POCL Service performance shall be judged by POCL as it affects overall performance of the POCL Services.

1.144.2. By the end of the Operational Trial Period, the Contractor shall specify the boundary performance characteristics of TMS (which shall for these purposes include APS, EPOSS, OPS, SMS, and OBCS).

1.144.3. For the avoidance of doubt, POCL shall be entitled to test the ability of the Contractor to provide such boundary performance information as part of Acceptance Testing. The Contractor shall enable POCL to perform such testing by a date agreed between the parties, but in no event later than 9 (nine) months after commencement of national Rollout.

1.144.4. For the TMS the Contractor shall specify the performance requirements and tolerances by a date consistent with the Project Plan for:

a) hours of operation of TMS;

b) response time required between TMS and OPS;

c) the number of outages of TMS, identifying types of outages monitored;

d) the availability of TMS.

1.144.5. The Contractor shall report against all performance requirements identified in the paragraph above.

1.144.6. The Contractor shall maintain detailed technical documentation of the interfaces from TMS to OPS and all attachable elements of the POCL Service Infrastructure. Any proposed changes to any interface to TMS shall be subject to approval by POCL in accordance with Change Control Procedure, with updates to the technical documentation being provided within 10 POCL Core Days after the change has been implemented.

**1.145. Requirement 870 - POCL Applications - EPOSS: Transaction Times**

1.145.1. EPOSS shall not slow down the activity of serving Customers and as such EPOSS shall be designed to minimise the number of key depressions (or other interaction with peripheral devices) involved in each Transaction. In all cases the response of EPOSS to any peripheral input shall be instantaneous.



- 1.145.2. Summarisation and balancing activities, including processing and printing, shall be optimised and avoid re-processing when data are changed during accounting.
- 1.145.3. The Contractor shall conduct performance benchmark tests against each of the different transaction types and identify their performance characteristics. The performance benchmark process is defined in document CS/PRP/001, Counter Transaction Performance Measurement and Benchmarking.
- 1.145.4. Actual transaction performance will be reported each month in the document CS/PER/013, Service Review Performance Statistics, and shall be subject to joint review by the Contractor and POCL during the monthly and quarterly Service Management Review meetings.
- 1.145.5. For each Outlet where the overall Transaction times are more than 10% greater than the average, the Contractor shall discuss with POCL the root cause of the performance difference at the monthly and quarterly Service Management Review meetings. The meeting shall jointly determine what, if any, action shall be taken, and in what time-scales, in order to bring the Outlet's performance back into acceptable bounds.

**1.146. Requirement 871 - POCL Applications - EPOSS: General Service Levels**

- 1.146.1. EPOSS shall be implemented such that the version of any Reference Data being referenced from Outlets has been updated with the latest version of Reference Data. The version of the Reference Data is fully updated once all updates have been applied.

The Service Levels for these are defined in Schedule F08.

- 1.146.2. Transaction data shall be forwarded to POCL central systems (e.g. TIP) soon after the completion of the POCL Core Day on which the Transaction occurred as part of a batch transmission. Transaction data not available for the next batch transmission shall be included in a subsequent transmission.

Data which are included in the first batch transmission to take place after the time of the Transaction are deemed to be in the first batch transmission and so on.

The Service Levels for these are defined in schedule F08.

- 1.146.3. Batch transmission times shall be agreed for each POCL central system in Schedule F08.



**1.147. Requirement 880 - POCL Applications: Specification of Transaction Data from Outlet to TIP**

1.147.1. Transaction data from the Outlet to TIP (via TMS) shall be as specified by POCL. (See Requirement 831.)

**1.148. Requirement 890 - POCL Applications - APS: Reconciliation**

1.148.1. The APS shall ensure and demonstrate that all committed Transactions have successfully passed from the Outlets to POCL and/or Clients.

1.148.2. The APS shall ensure there is at least one point in the day when all Transactions to be sent to a Client are in step with those to be sent to POCL.

**1.149. Requirement 891 - End to End Service - Reconciliation Requirements****1. GENERAL REQUIREMENTS**

1.149.1. The Contractor shall ensure that all captured data are complete and accurately reflected in the appropriate outward interfaces:

a) this applies to Transaction data of all types and modes (including normal working, fall-back and Recovery, and to normal usage, amendment, reversal, and so forth) and to Stock and cash levels; and

b) this applies to Reference Data changes, both local and as received from POCL as follows:

- from ESNCS for OBCS stop lists;
- otherwise from the POCL Reference Data System except for any specific transient arrangements;

c) this applies equally at all levels and across POCL Service components.

1.149.2. The Contractor shall synchronise data flows and storage, and shall:

a) monitor data transfers and account for data brought forward, received, passed on and carried forward;

b) monitor data transfers and account for data, across POCL Service interfaces and POCL Service components;

c) where a single datastream is "switched" to more than one recipient;

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- reconcile any timing differences between transfers;
  - account for any differences in processing or accounting cycles of the recipients of related flows; and
  - provide information to each recipient to enable them to reconcile with the other recipients of related data.
- 1.149.3. The Contractor shall ensure that data are consistent between the levels where Transaction or Stock and cash level data are held, maintained or transferred at more than one level.
- 1.149.4. The Contractor shall perform daily operational cut-over reconciliations for any on-line interfaces with external systems.
- 1.149.5. The Contractor shall report reconciliation results to POCL, including any discrepancies and any doubtful items, and report progress on resolution of outstanding items in relation to:
- a) interfaces between POCL Service components and POCL'S systems;
  - b) external interfaces between POCL and Clients (to enable them to maintain their commercial relationships);
  - c) interfaces between POCL Service components.
- 1.149.6. The Contractor shall apply appropriate integrity controls at all interfaces and provide information demonstrating integrity. For interfaces that are already in place integrity controls shall be as specified in the document titled POCL Interface Requirements For BA/POCL System, version 1.6, dated 16 April 1996. For new interfaces such integrity controls shall be agreed through the Change Control Procedure.
- 1.149.7. The Contractor shall control the implementation of configuration changes, including changes to Reference Data, including:
- a) checking and reporting the implementation of changes against instruction;
  - b) maintaining the integrity of other reconciliation processes across configuration changes;
- 1.149.8. The Contractor shall meet all reconciliation requirements in contingency situations as well as normal working.

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1.149.9. Service Levels for all reconciliation requirements are as follows:

- a) full reconciliation with 100% of items demonstrably accounted for;
- b) provision of the ability to reconcile by agreed processes at detailed level, including without limitation at Transaction level for Transaction data;
- c) any differences, doubtful items or errors to be resolved by the Contractor;
- d) reconciliation reports and identification of doubtful items and errors to be delivered to POCL by 9 a.m. of the following day;
- e) the Contractor shall make all reasonable endeavours to resolve any doubtful items and errors promptly.

2. POST OFFICE OUTLET RECONCILIATION REQUIREMENTS

1.149.10. Stock and cash levels shall be reconciled with Transaction data:

- a) by Customer Session, at Outlet level; and
- b) where Outlets are so organised, by Stock Unit.

1.149.11. Outlet accounting information shall reconcile, taking account of Stock and cash brought forward, carried forward, Transaction data and local suspense items (as defined in the EPOSS requirements). This shall also be sustained in fall-back and during Recovery after any Service Failure.

1.149.12. The requirements in this section (2) shall be satisfied instantly.

3. TMS RECONCILIATION REQUIREMENTS

1.149.13. The Contractor shall provide operational control reports on operations, including polling and any loss of communications with Outlets or with other POCL Service components.

1.149.14. The Contractor shall apply controls on file and data transfers at all technical levels and, using relevant counts and financial totals, at business levels.

1.149.15. The Contractor shall ensure that information provided to POCL via TIP makes explicit what Transaction data have been sent to Clients.

4. COMMERCIAL RECONCILIATION REQUIREMENTS

1.149.16. The Contractor shall provide information to enable reconciliation of POCL Services with Charges.

1.149.17. The Contractor shall act, and be seen to be acting, on behalf of POCL in reconciliations with other parties, and provide the necessary information for POCL to exert appropriate management control over operations performed on their behalf. The Contractor shall ensure in so doing that the commercial relationships between POCL and third parties are not compromised.

**1.150. Requirement 894 - General - Management Information Requirement**

1.150.1. The Contractor shall provide management information to POCL to enable it to manage the Codified Agreement, and POCL Services as well as to support POCL's general business requirements.

1. The Contractor shall provide information POCL requires to manage the Codified Agreement and the POCL Services as agreed by POCL and the Contractor by a date consistent with the Project Plan.

2. POCL may request and if so, shall receive during the term of the Codified Agreement, and after, any information it believes it requires to manage its business, the Codified Agreement, any POCL Service, and also to facilitate re-letting and hand-over of such Agreement and POCL Services.

3. The Contractor shall provide data to enable resource, network, productivity and cash management. A process for reviewing the type of Management Information data to be provided shall be agreed by a date consistent with the Project Plan.

4. The Contractor shall provide data to enable marketing planning by POCL. A process for reviewing the type of Management Information data to be provided shall be agreed by a date consistent with the Project Plan.

1.150.2. These data shall include without limitation:

a) Outlet, User and Stock Unit registration / deletion and mutual association;

b) log-on / off;

c) completion of summaries and returns / reports, roll-over to new Balances and / or POCL Outlet Accounting Periods;

d) polling events;

- e) receipt / implementation of new issues of Software, Reference Data, local Reference Data updates;
  - f) POCL Service Infrastructure failure / repair / replacement, down-time, Recovery time, file corruption etc.;
  - g) information to enable POCL to monitor / manage Service Levels;
  - h) exception reports.
- 1.150.3. The Contractor shall provide MIS captured by Outlet, Outlet type, region and any other organisational structure specified from time to time by POCL.
- 1.151. Requirement 895 - General - Security: Irregular Encashment Patterns**
- 1.151.1. The POCL Service Architecture shall be capable of monitoring irregular encashments and reporting on them. Information shall be shared with POCL Audit / Security / Operations when it relates to a post office in relation to the following.
- Daily reports of Transactions at a non-live Outlet i.e. one reported to the Contractor as temporarily out of commission.
- 1.152. Requirement 896 - POCL Implementation- Documentation: Access to Documentation by Electronic Means**
- 1.152.1. The POCL Service Infrastructure shall be able to support electronic communications for access to User documentation. The feature shall not be essential for initial implementation, and its later implementation shall be subject to the mutual agreement of POCL and the Contractor.
- 1.153. Requirement 898 - Order Book Control Service (OBCS) - General Requirements**
- 1.153.1. [not used].
- 1.153.2. It shall be possible for POCL to obtain OBCS in nominated Outlets, at POCL's discretion, to be available when the POCL Service Infrastructure rolls out.
- 1.153.3. OBCS shall be implemented using TMS and OPS.
- 1.153.4. The implementation of OBCS shall comply with the Horizon OPS Style Guide.



1.153.5. Help Desk support shall be available to all Users of OBSCS.

1.153.6. OBSCS shall be available at every Counter Position in any automated Outlet at which OBSCS is required during the normal opening hours of that Outlet.

**1.154. Requirement 899 - OBSCS - Stop List Maintenance**

1.154.1. [not used].

1.154.2. The Contractor shall maintain a stop list recording details of order books which have been stopped, and against which no further payments are to be made, and order books which have been recalled. In the case of recalled order books, orders may be paid for a number of days following receipt of the recall. OBSCS shall calculate the recall date in accordance with the OBSCS *Business Processing Rules*.

1.154.3. The Contractor shall initiate a communications link between the DSS computer and the TMS 7 nights each week and shall transfer a Data File containing stop list updates. The stop list updates shall include entries that are to be added and reference to those that are to be deleted. Notices not deleted by DSS shall be removed after an appropriate period.

1.154.4. Stop list update files shall be applied in the order defined in the stop list interface document.

1.154.5. The maximum size of the stop list shall be 1.5 million entries.

1.154.6. The maximum size of a stop list update shall normally be 100,000 entries. In the event that an update of greater size is needed special arrangements shall be made.

1.154.7. The minimum size of a stop list update shall be 0 (zero) entries; in this case a file with an appropriate header and footer shall be sent.

1.154.8. Details of the stop list update interface with DSS computer system shall be made available by POCL by a date consistent with the Project Plan.

**1.155. Requirement 900 - OBSCS - Order Book Processing: Bar-Coded Order Books**

1.155.1. [not used].



- 1.155.2. OBCS shall provide a facility for dealing with bar-coded order books presented for encashment of benefits at automated Outlets requiring OBCS.
- 1.155.3. The bar-code shall be scanned, validated and checked against the stop list:
- a) when the order book is received at the Outlet;
  - b) when the order book is handed over to an Authorised Person;
  - c) when the order book is presented for payment.
- 1.155.4. Whenever the bar-code on an order book is scanned OBCS shall provide both a visual and an audible indication of the result of the scan. There shall be a clear difference between the audible indication given for 'success or normal' and 'failure or exception'. There shall be a clear distinction between the instructions to 'impound' and 'cash and impound'.
- 1.155.5. When an order book is received at the Outlet from the Issuing Authority, OBCS shall prompt the Counter Clerk to scan the bar-code, and OBCS shall check it against the stop list. The electronic record of the Transaction shall be transmitted to the DSS computer system within a Data File.
- a) If the order book is on the stop list then OBCS shall instruct the Counter Clerk to impound, hole punch the order book and return it to DSS.
  - b) OBCS shall be capable of recording the re-direction of the order book to another Outlet or its return to DSS.
  - c) If there are three consecutive failures to read the bar-code OBCS shall prompt the Counter Clerk to enter the bar-code information via the keyboard. Subsequently OBCS shall instruct the Counter Clerk to hole punch the order book and return it to DSS. OBCS shall record the order book as unreadable.
  - d) The maximum number of order books received in an Outlet on a POCL Core Day is expected to be approximately 600.
- 1.155.6. When an order book is being issued to the Authorised Person, OBCS shall prompt the Counter Clerk to scan the bar-code and OBCS shall check it against the stop list. The electronic record of the Transaction shall be transmitted to the DSS computer system within a Data File. The rules for making payments and order book retention are as for encashments below.

- a) The maximum number of order books issued at any one Outlet in a POCL Core Day is expected to be approximately 100, but it should be borne in mind that there will be an uneven distribution across days, with peaks expected on Mondays, Tuesdays and Thursdays.

1.155.7. When an encashment is made against the order book OBCS shall prompt the Counter Clerk to scan the bar-code and OBCS shall check it against the stop list. Details of the Transaction shall be transmitted to the DSS computer system within a Data File.

- a) When OBCS identifies a bar-code as not conforming with the specification agreed with POCL, OBCS shall instruct the Counter Clerk to impound the order book without payment. The Transaction shall be recorded by OBCS. This transaction shall be recorded in the summary of non-bar-coded order books.

- b) If the order book is not on the stop list then OBCS shall instruct the Counter Clerk to pay normally and prompt for the number of vouchers encashed. A default number of one shall be presented with the Counter Clerk having the ability to override this.

- c) If the order book has been recalled then OBCS shall instruct the Counter Clerk to pay up to a specified date and prompt for the number of vouchers encashed. A default number of one should be presented with the Counter Clerk having the ability to override this with a valid number, including zero. OBCS shall instruct the Counter Clerk to retain the order book, hole punch it, and return it to DSS.

- d) If the order book has been stopped OBCS shall instruct the Counter Clerk to make no payment and impound the order book, hole punch it and return it to DSS. The Counter Clerk shall not be allowed to void or otherwise cancel such a Transaction.

- e) If there are three consecutive failures to read the bar-code, OBCS shall prompt the Counter Clerk to enter the bar-code information via the keyboard. If the order book is on the stop list for impounding then this takes precedence, otherwise OBCS shall instruct the Counter Clerk to pay one voucher and then hole punch the order book and return it to DSS. OBCS shall record the order book as unreadable. The Counter Clerk shall not be allowed to void or otherwise cancel such a Transaction.

1.155.8. Details of the interface with the DSS computer system for receiving Transaction records noted above shall be made available by the DSS by a date consistent with the Project Plan.

**1.156. Requirement 901 - OBCS - Order Book Processing: Non-Bar-Coded Books**

1.156.1. [not used].

1.156.2. When an order book with no bar-code is presented for encashment OBCS shall prompt the Counter Clerk to enter the number of vouchers to be encashed. A default number of one shall be presented with the Counter Clerk having the ability to override this.

1.156.3. For each Outlet for each POCL Core Day a single electronic record giving the total number of vouchers encashed shall be transmitted to the DSS computer system within a Data File.

1.156.4. Details of the interface with the DSS computer system for receiving voucher totals records noted above shall be made available by POCL.

**1.157. Requirement 902 - OBCS - Transaction Times**

1.157.1. [not used].

1.157.2. The following Transaction times shall be achieved using OBCS with a fully populated stop list:

a) logging the receipt of an order book, measured as the time from any point in the cycle for one order book to the same point in the cycle for the next order book , shall not take more than one (1) second longer than without OBCS;

b) in issuing an order book to an Authorised Person, the checking against the stop list using OBCS shall not add more than five (5) seconds to the time that would have been taken with no manual stop list;

in making an encashment OBCS Transactions shall not exceed transaction times as per Schedule H08.

**1.158. Requirement 903 - OBCS - General Service Levels**

1.158.1. The stop list functionality shall be implemented so that the version of the stop list being referenced from Outlets has been updated with the stop list updates from the DSS computer. The version of the stop list is fully updated once all updates received have been applied. If one day's worth of updates have not been applied then the version is deemed one day behind and so on.

On any POCL Core Day:

- a) 97 % of Outlets shall be referencing a version which is fully updated;
- b) 99% of Outlets shall be referencing a stop list which is no more than one day behind;
- c) 100% of Outlets shall be referencing a stop list which is no more than two days behind.

1.158.2. Transaction data shall be forwarded to the DSS computer system soon after the completion of the POCL Core Day on which the Transaction occurred as part of a batch transmission. Transaction data not available for the next batch transmission shall be include in a subsequent transmission.

Data which are included in the first batch transmission to take place after the time of the Transaction are deemed to be in the first batch transmission and so on.

Transaction data from the Outlets shall reach the DSS computer system as follows:

- a) the data from 97% of Outlets shall reach DSS within the first batch transmission;
- b) the data from 99% of Outlets shall reach DSS within the second batch transmissions;
- c) the data from 100% of Outlets shall reach DSS within the third batch transmissions.

**1.159. Requirement 905 - POCL Implementation - User Support for Transaction Accuracy**

1.159.1. The POCL Service Infrastructure shall be designed in order to, and shall, give the User support in maintaining Transaction accuracy and in order to assist the transfer of accurate POCL Product information to Customers.

**1.160. Requirement 906 - POCL Implementation - Roll Out:**

1.160.1. Outlets shall be provided with new terminals on the day of installation of the POCL Service Infrastructure. Installation covers physical placement, connection to the POCL Service Infrastructure and testing.

**1.161. Requirement 911 - End to End Service - Integrity Across Changes**

1.161.1. The POCL Services shall maintain accounting and reporting integrity in the POCL Services and POCL

Service Infrastructure, including any changes under the Change Control Procedure.

- 1.161.2. Such integrity shall cover implementation of changes, reverting to previous states (should this prove necessary, for example in fall-back and Recovery), co-existing before and after states (e.g. if simultaneous implementation does not occur) and reporting across change boundaries (e.g. using appropriate Reference Data versions for each part of a report).

**1.162. Requirement 912 - POCL Service Infrastructure - SMS: Portable Appliance Testing**

- 1.162.1. The Contractor shall carry out any regular portable appliance testing of elements of the POCL Service Infrastructure installed as part of the POCL Services in Outlets and on any other POCL Premises as required by legislation.

**1.163. Requirement 913 - Implementation - Service Level Agreement: POCL User Documentation**

**1. INTRODUCTION**

- 1.163.1. The Contractor shall provide to POCL PPDs containing information necessary for the preparation by POCL of comprehensive User documentation for all Users of the POCL Service Infrastructure and others, as notified by POCL.

**2. AVAILABILITY**

**2.1. Users of the POCL Service Infrastructure**

- 1.163.2. User documentation shall be available to all Users of the POCL Service Infrastructure 100% of the time that the POCL Service Infrastructure is in use.

**2.2. Other Users**

- 1.163.3. User documentation shall also be available to others, (such as helpline operators, non serving staff in retail Outlets, Retail Network Managers etc.) 100% of the time that the POCL Service Infrastructure is in use.

**2.3. Contingency/disaster Recovery arrangements**

- 1.163.4. User documentation which contains information to Users on contingency / disaster Recovery arrangements, such as what to do during a Service Failure, shall be available to all Users during all hours of business.

**3. CONTENT OF USER DOCUMENTATION**



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1.163.5. User documentation shall contain all information which a User of the documentation requires to complete all business Transactions at POCL Premises. This includes topics such as:

- a) performing counter Transactions;
- b) accounting;
- c) balancing, including Value Stock taking;
- d) Stock ordering;
- e) Stock acceptance, disposal, destruction, remitting etc.;
- f) contingency arrangements e.g. for Service Failure;
- g) giving information to Customers e.g. how to obtain a duplicate Motor Vehicle Licence disc;
- h) information for specific POCL Products e.g. posting restrictions;
- i) performing business Transactions at Remittance Units e.g. Girobank deposits.

#### 4. ACCURACY OF INFORMATION

1.163.6. All information in User documentation shall be accurate.

#### 5. DESIGN OF USER DOCUMENTATION

##### 5.1. Visual identity

1.163.7. All User documentation shall conform to POCL's 'Design Applications Guidelines', which is part of POCL's 'Visual Identity' policy.

##### 5.2. Communications policy

1.163.8. All User documentation shall conform to POCL's communications policy, which is covered in the document 'A Guide to Head Office Communications Team'.

##### 5.3. Environmental policy

1.163.9. All User documentation shall conform to POCL's Environmental policy.

#### 6. USER DOCUMENTATION FOR A NEW PRODUCT/SERVICE

##### 6.1. Notification of requirement by POCL



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- 1.163.10. POCL shall advise the Contractor of the requirement for User documentation for a new Product/Service a number of days before the implementation of that new Product/Service, such number of days to be agreed between POCL and the Contractor at the time of agreeing to implement such new Products/Services.

6.2. Drafting of User documentation

- 1.163.11. The final copy of User documentation for a new Product/Service shall be completed a number of days before the implementation of that particular Product/Service, such number of days to be agreed between POCL and the Contractor at the time of agreeing to implement such new Products/Services.

6.3. Final approval by POCL

- 1.163.12. All User documentation for a new Product/Service will be subject to final approval by POCL which shall, if appropriate, be given a number of days before the implementation of that particular Product/Service, such number of days to be agreed between POCL and the Contractor at the time of agreeing to implement such new Products/Services.

6.4. Availability

- 1.163.13. User documentation which contains the details of a new Product/Service shall be available to all Users of the documentation immediately prior to implementation of the new Product/Service.

7. UPDATING USER DOCUMENTATION

7.1. Planned changes

7.1.1 Notification of changes by POCL

- 1.163.14. POCL shall advise the Contractor of the requirement to update User documentation a number of days before the implementation of the change, such number of days to be agreed between POCL and the Contractor at the time of agreeing to implement such change.

7.1.2 Drafting of User documentation

- 1.163.15. The final copy of updated User documentation shall be completed a number of days before the implementation of that particular change, such number of days to be agreed between POCL and the Contractor at the time of agreeing to implement such change.

7.1.3 Final approval by POCL

1.163.16. All updated User documentation shall be subject to final approval by POCL a number of days before the implementation of that particular change, such number of days to be agreed between POCL and the Contractor at the time of agreeing to implement such change.

#### 7.1.4 Availability

1.163.17. Updated User documentation shall be available to all Users of the documentation immediately prior to implementation of that particular change.

#### 7.2. Emergency updates

1.163.18. Emergency updates to PPDs shall be made available to POCL within (24) hours of the changes being notified to the Contractor by POCL.

8. [NOT USED]

1.163.19. [not used].

#### 9. USER SATISFACTION

##### 9.1. Frequency of monitoring

1.163.20. The Contractor shall measure User satisfaction with User documentation annually.

##### 9.2. Target for User satisfaction

1.163.21. User satisfaction with User documentation shall be no less than 90%.

##### 9.3. Topics to be covered

1.163.22. Topics to be covered by the User satisfaction survey will include areas such as:

- a) overall use/effectiveness of User documentation;
- b) comprehensiveness of index/indices;
- c) accuracy of index/indices;
- d) relevance of any cross references;
- e) accuracy of any cross references;
- f) layout, style and language etc.;
- g) readability/size/usefulness of graphics;
- h) quality and clarity of text.

**1.164. Requirement 914 - Implementation - Service Level Agreement: Operational Systems Help Desk**

**1. INTRODUCTION**

1.164.1. This requirement documents the key Help Desk Service requirements for the POCL Services and POCL Service Infrastructure.

**2. HELP DESK SERVICE**

**2.1. General**

1.164.2. The Contractor shall provide a Help Desk Service which shall be the first point of contact for Help Desk Customers. Help Desk Customers include Users and POCL Clients having a direct interface with the POCL Services.

1.164.3. The Help Desk shall:

- a) act as a central point for information on the working state of the POCL Services;
- b) keep Help Desk Customers notified of any scheduled interruptions;
- c) assist in any negotiations between POCL and their customers where interruptions to the POCL Services provided are scheduled;
- d) keep Help Desk Customers informed of when the POCL Service will be restored.

1.164.4. The Contractor's Help Desk Service shall provide first, second and third level Services. The Help Desk shall respond to calls within ten (10) seconds. Help Desk contact shall be over the telephone.

1.164.5. The Contractor shall provide the facility to transfer calls which are received and are outside its area of responsibility. The Contractor shall also provide the facility to receive transferred calls from POCL help desks and helplines.

**2.2. First Level Service**

1.164.6. The first level Service shall provide an immediate problem solving service for all simple and straightforward problems, which can be resolved within five (5) minutes, and all general enquiries.

1.164.7. The first level member of staff who takes the call owns the problem from initial logging through to resolution to the Help Desk Customer's satisfaction.

The Contractor shall cater for first level members being off duty.

### 2.3. Second Level Service

1.164.8. The second level Service shall provide a diagnostics and fixing service for all problems which cannot be fixed within five (5) minutes by the first level Service, but which can be resolved within thirty (30) minutes.

1.164.9. Calls shall be referred electronically from the first level Service to the second level Service. Second level staff shall have access to a prioritised list of outstanding problems, and all the details on the problem entered by first level staff.

### 2.4. Third Level Service

1.164.10. If the Help Desk is unable to resolve a problem at the first or second level the Contractor shall categorise and prioritise the problem so that it can be actioned and completed within a standard timescale.

### 2.5. Hours of Service

1.164.11. A full Help Desk Service is required during the POCL Core Day. A skeleton Help Desk Service shall be provided between 05:00 and 08:00 and between 20:00 and 24:00, Monday to Saturday, and between 07:00 and 22:00 on Sundays.

1.164.12. The Contractor shall ensure that calls made to the Help Desk outside specified hours are accepted by Contractor.

1.164.13. The Contractor, given two (2) POCL Core Days notice, shall extend the level of Service to whatever is required. In emergency circumstances, the Contractor shall, given five (5) hours notice, provide a first and second level Service outside normal and extended working hours.

### 2.6. Problem Management

1.164.14. The Contractor shall provide a problem management system to record the problem details such as (but not exclusively):

a) unique problem serial reference, generated automatically by the problem management system;

b) Help Desk Customer contact, address, location and telephone number;

c) date and time problem occurred;

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- d) date and time problem was reported to Help Desk;
- e) Help Desk contact;
- f) description of the problem, including frequency of occurrence;
- g) serial references of similar faults and previous occurrences;
- h) Hardware Equipment involved; serial number etc.;
- i) Software product and release version;
- j) assessed impact on Help Desk Customers business;
- k) priority for solution;
- l) problem category;
- m) estimated elapsed time to solve problem;
- n) any change of referral point;
- o) date and time of referral.

1.164.15. The Contractor shall update the problem management system with the following information, as appropriate:

- a) date and time of update;
- b) Help Desk contact updating record;
- c) textual description of the work done, or the fact that the problem had to be referred elsewhere, and who has taken it on;
- d) date and time problem was cleared;
- e) date and time the solution was accepted by the Help Desk Customer;
- f) actual elapsed time to solve problem.

1.164.16. The Contractor shall also keep a record of all problems relating to the failure of uploading and downloading data.

1.164.17. The Contractor's first level Service staff shall assign a priority to the problem. Possible priorities could be:

Priority	Description
1	live working disrupted. Outlet cannot



continue normal working;

2 live working disrupted but work around possible;

3 minor inconvenience. Help Desk provide short term resolution.

1.164.18. Throughout the life of the problem the Contractor staff shall monitor the progress of the problem and inform the Help Desk Customer at regular intervals, to be agreed with POCL by a date consistent with the Project Plan. This shall also apply to second and third level Services.

1.164.19. The Contractor shall manage the resolution of any problem using documented procedures agreed with POCL by a date consistent with the Project Plan. These procedures shall be comprehensive in that they cover all aspects of problem resolution from initial logging through to closure. For example, in the event of a major POCL Service Failure at a post office, procedures shall exist to cover the possible closure of the post office and the re-allocation of its responsibilities to other post offices. Escalation procedures shall be included.

1.164.20. A problem can only be cleared when a Help Desk Customer has confirmed satisfaction with the resolution.

## 2.7. Systems and Services Supported

1.164.21. The Contractor shall maintain User, asset, problem and change management databases.

## 2.8. Resilience

1.164.22. The Contractor is responsible for ensuring that a contingency plan is in place to cater with any Help Desk Incident, e.g. loss of staff, loss of telephone system, loss of problem/configuration management system. The contingency plan is to be agreed with POCL by a date consistent with the Project Plan and shall state how quickly the POCL Service will be restored in the event of an Incident.

## 2.9. Training

1.164.23. The Contractor shall provide any necessary awareness training to ensure Users work effectively with the Help Desk. The Contractor shall develop and implement training plans for its own staff.

## 2.10. Personnel



1.164.24. The Contractor shall ensure that all staff, including back-up staff, employed on the Help Desk Service have suitable and appropriate skills and training. The Contractor shall ensure that sufficient skilled resources are available to cater for holidays, sickness and natural wastage within the Contractor's organisation.

#### 2.11. Service Targets

1.164.25. The Contractor shall answer at least 80% of all calls to the Help Desk within twenty (20) seconds during first level Service hours. 99.9% of calls shall be answered within forty (40) seconds.

1.164.26. The percentage of 'calls not answered' shall be less than 1%. This includes calls where the line is busy as well as calls answered but put on the 'waiting queue'.

1.164.27. The Contractor shall resolve at least 95% of calls assigned to first level within five (5) minutes. The Contractor will resolve 100% of calls assigned to first level within ten (10) minutes.

1.164.28. The Contractor shall resolve at least 95% of calls assigned to second level within thirty (30) minutes. The Contractor shall resolve 100% of calls assigned to second level within forty-five (45) minutes.

#### 3. SERVICE MONITORING

1.164.29. The Contractor shall produce Service information, in electronic form and/or paper, and shall deliver this information to POCL within two (2) POCL Core Days of the end of the period to which they relate. The following is an example of the information required:

- a) number of calls outgoing/received/number of calls not answered;
- b) percentage of calls answered within target times;
- c) number of problems/queries logged;
- d) number and percentage of problems/queries solved within target times;
- e) number of problems / queries assigned to first level that were not cleared within ten (10) minutes;
- f) number of problems/queries with secondary complications (e.g. repeat calls);
- g) number of problems/queries escalated;

h)percentage of time full Help Desk Service was available;

i)supplier performance against Service Levels for response;

j)Service availability at each post office.

1.164.30. POCL may wish to analyse the information by:

a)category of operational problem/query;

b)level and solving group at which the problem/query was solved;

c)Help Desk Customer group and location;

d)mean time to closure.

1.164.31. The Contractor shall retain Help Desk records for a minimum of eighteen (18) months.

1.164.32. Each quarter a survey shall be conducted by POCL to determine User satisfaction with the Help Desk Service. POCL and Contractor shall agree the approach to be taken and the format/content of the questionnaire by a date consistent with the Project Plan.

1.164.33. The Contractor shall, on request, provide on-line access to the problem management system. POCL shall inform the Contractor of who is authorised to access the system. The Contractor shall provide ad hoc reports, as requested by POCL, within three (3) POCL Core Days.

#### 1.165. Requirement 915 - Implementation - Service Level Agreement: Training Services

##### 1. INTRODUCTION

1.165.1. This requirement documents the training requirements and key measurables that shall be used to assess the effectiveness of the training Service as a whole.

##### 2. TRAINING SERVICES

###### 2.1. General

1.165.2. The training provided shall enable POCL's staff or Agents to achieve acceptable standards in key competencies in the use of the POCL Services.

1.165.3. The Training Services shall incorporate the development design and delivery of agreed training events and support materials.

## 2.2. Specific Responsibilities

### Contractor

- a) Design of training events;
- b) development of training materials (day to day and maintenance);
- c) delivery of training:
  - to delegates (as appropriate);
  - to trainers;
- d) communication of training activity:
  - to delegates;
  - to POCL;
  - to POCL Regions;
- e) management of training processes:
  - training plans;
  - call up notices;
  - site selection and preparation;
  - provision of appropriate Equipment;
- f) management information (training):
  - provide defined reports on training completed for agreed periods;
- g) Attend regular training review meetings;
- h) Identify improvement to training Services.

### POCL

- a) Consider and once it has agreed sign off Contractor's training proposals and processes;
- b) monitor and review performance;
- c) attend regular training review meetings;
- d) identify improvements to training Services as part of the Contractor's quality review.

## 3. KEY MEASURABLES

### 3.1. Timeliness

- 1.165.4. Training courses shall be available within ten (10) POCL Core Days notice being provided by POCL in addition to the 4 week invitation notice period to Users.
- 1.165.5. Training shall not be delivered more than five (5) POCL Core Days before live usage of the POCL Service Infrastructure or the relevant POCL Service by delegates.

### 3.2. Quality

- 1.165.6. Trainees' satisfaction with the training venue shall be measured by a training satisfaction questionnaire and shall achieve not less than 85% satisfaction.
- 1.165.7. The training shall have received a positive rating of not less than 95% as a result of a training measurement questionnaire.

### 3.3. Cycle Time

- 1.165.8. Training shall take no longer than the timescale specified by the Contractor in their Solution to Requirements 531 and 534 to enable delegates to achieve the required standard of competence. Where minimum training compliance (MTC) is not affected remedial training can be delivered up to 2 days prior to individual site acceptance.

### 3.4. Contingency / Disaster Recovery

- 1.165.9. Notification of course cancellations shall be issued at the earliest possible time. A minimum of forty eight (48) hours notice must be provided for 98% of cases.
- 1.165.10. The Contractor shall cancel no more than 2% of courses.
- 1.165.11. When a designated training site becomes inoperative the Contractor shall make an alternative available and functioning within (approximately five days) to enable continuation of the training plan.

### 3.5. Data Accuracy and Integrity

- 1.165.12. There shall be no degradation to any Transaction data in the live POCL Service Architecture as a result of accessing localised training packages.
- 1.165.13. Training course content shall have no factual errors at the time of release.

### 3.6. Competence levels

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1.165.14. The training Services provided shall ensure that 95% of trainees on completion of the training shall be able to demonstrate achievement of the agreed level of competence, which shall reflect a score of 90% for knowledge related areas for transactions and the operating platform.

1.165.15. Competence levels shall be measured by the Contractor for delegates to second level of the Kirkpatrick model utilised by POCL.

#### 4. COMMUNICATION

1.165.16. Delegate performance feedback shall be provided by the Contractor for each person attending a training course.

1.165.17. Regional offices shall be provided by the Contractor with a status report on delegates whose attainment level of the key competencies for their user group is below the agreed standard within five (5) days of training completion.

1.165.18. Trainees shall receive call up papers one (1) month prior to proposed date of training.

1.165.19. Call up notices shall provide options as to days and times of attendance for training.

#### 5. MONITORING TRAINING SERVICES

1.165.20. The Contractor shall supply information to POCL in the agreed format which identifies actual performance against the key measurables stated.

#### 6. TRAINING REVIEW MEETINGS

1.165.21. Review meetings shall be held on a regular basis.

Operational Trial	fortnightly
First 6 months live running	monthly
From 7 months to 18 months	quarterly
After 18 Months	ad hoc or emergency
	review meetings may be
	called by either party.

Note : Meetings timing shall be subject to agreement.  
These are only indicators.

#### 7. ESCALATION PROCEDURES

1.165.22. Failures in Service Levels shall be managed and rectified between the nominated SLA managers of POCL and the Contractor whenever possible.

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1.165.23. Issues which cannot be rectified shall follow the agreed escalation path as detailed in Clause 807.

8. CHANGE MANAGEMENT

1.165.24. Permanent variations to the agreed Service Levels and or the training Services provided shall be progressed through the standard Change Control Procedure.

9. TRAINING SERVICE SLA MANAGEMENT

1.165.25. [Not used]

1.165.26. The SLA shall be managed within the overall framework of Schedules A04 and G07 of the Codified Agreement.

**1.166. Requirement 918 - General - Communications**

1.166.1. POCL shall retain the right of veto on all communications, marketing and education for all Customers, POCL employees, Agents and their staff.

**1.167. Requirement 921 - POCL Service Infrastructure - Security: OPS Secure Time-out**

1.167.1. The OPS and the elements of the POCL Service Infrastructure on which OPS is provided shall provide a secure time-out facility for each counter terminal and back office terminal.

1.167.2. The facility shall allow the User to resume work with the minimum delay consistent with achieving security in accordance with the provisions hereof.

1.167.3. It shall be clear that the facility is in use to remove any confusion between a terminal with the facility activated and a terminal that is available for use by any User.

1.167.4. Under circumstances where the facility has been activated and the User is no longer able to cancel it, for whatever reason, it shall be possible with appropriate authority:

a) to complete User and Outlet balances; and

b) to make the terminal available to another User.

1.167.5. The circumstance where the facility has been overridden by an appropriate authority shall be expressly logged to the audit trail.



**1.168. Requirement 922 - POCL Service Infrastructure - OPS:  
Noise Emissions**

1.168.1. The acoustic noise emission of any element of the POCL Service Infrastructure used in the provision of OPS shall not exceed 60dB(A) measured at a distance of one metre.

**1.169. Requirement 925 - Joint Implementation - Operational  
Trial: Acceptance Testing Requirements**

1.169.1. The Operational Trial shall be carried out in accordance with Schedules L01, L02, L03, L04 and L05.

**1.170. Requirement 926 - Roll Out: Generic Requirement**

1.170.1. All Roll Out plans shall be agreed with POCL. Any changes to functionality of the POCL Services shall be implemented only with the prior approval of POCL.

1.170.2. POCL reserves the right to suspend the Roll Out programme if the Contractor fails to deliver POCL Services to the Service Levels.

**1.171. Requirement 938 - Data Protection**

1.171.1. The Contractor shall ensure that any information supplied under the Data Protection Act 1984 is accurate and that assurances can be given as to the integrity of that information.

1.171.2. The Contractor shall deliver any information requested under the Data Protection Act 1984 to the requesting body or person as appropriate.

1.171.3. The Data Protection Act 1984 became law from 11 November 1987. All subsequent alterations and reviews to this law after 15 May 1996 shall be integrated and adhered to.

1.171.4. The Contractor shall record all written requests for a data protection print from a Customer or representative within five (5) days of receipt of the request, and deal with queries raised within a timescale to be agreed with POCL by a date consistent with the Project Plan, such agreement not to be unreasonably withheld or delayed.

1.171.5. All information provided under the Data Protection Act 1984 shall be available to facilitate inspection.

Details of a request and response made under the Data Protection Act 1984 shall be retained consistent with the Data Protection Act 1984 requirements.

**1.172. Requirement 941 - Implementation - Roll Out: Post Office Roll Out**

1.172.1. The planned Roll Out of the POCL Service Infrastructure for each Outlet shall be agreed by the Contractor and POCL by a date consistent with the Project Plan.

1.172.2. Northern Ireland is a discrete area for such Roll Out purposes.

**1.173. Requirement 945 - Implementation - Service Level Agreements: Installation of POCL Service Infrastructure**

1.173.1. The installation of the POCL Service Infrastructure, the implementation of POCL Infrastructure Service and the Service Levels for the POCL Infrastructure Service shall be as set out in Schedule G06 and G10.

**1.174. Requirement 949 - POCL Implementation - Training**

1.174.1. The Contractor shall be capable of delivering POCL's total training requirement if required in due course.

**1.175. Requirement 951 - General - Service Architecture Design Document**

1.175.1. The Contractor shall develop and maintain the Service Architecture Design Document, a document describing the design of the POCL Service Architecture.

1.175.2. As a minimum the Service Architecture Design Document shall specify:

- a) the major components, provided directly or sub-contracted, used in providing the POCL Services;
- b) the functionality within the major components;
- c) the interfaces between the major components;
- d) the Service Levels required across the interfaces to meet the objectives of the overall POCL Services;
- e) all the interfaces with the POCL Service Environment and with other parties' computer systems.

1.175.3. The audience for the Service Architecture Design Document shall be technical staff within POCL. The Service Architecture Design Document shall be self contained, though it is expected that it references other documents to provide further levels of detail as appropriate. The level of detail within the Service Architecture Design Document shall be such that it gives

a thorough background to the construction of the POCL Services and the rationale for the approach. It is anticipated that the Service Architecture Design Document shall be between 200 and 400 pages in length.

**1.176. Requirement 952 - POCL Service Infrastructure - OPS:  
APS Key Management**

1.176.1. The OPS shall support a reliable, secure means for the transfer of encrypted data that may subsequently be used for cryptographic applications.

1.176.2. In order to use the encrypted data, a key management system shall be in place so the encrypted data can be deciphered without risk of the cryptographic key being exposed.

**1.177. Requirement 953 - POCL Service Infrastructure - OPS:  
Concurrency**

1.177.1. OPS shall support concurrent access to POCL Services provided via it.

1.177.2. OPS shall ensure data integrity, e.g. reports printed at the back office whilst serving at the front office shall be consistent with a clearly stated policy (to be approved by POCL) of what front office data are included in the report.

1.177.3. Performance of OPS shall not be significantly degraded by other office activity, e.g. front office, back office and communications activities shall not unduly impact each other.

**1.178. Requirement 956 - OBSCS - OPS Interface: ESNCS to OBSCS**

**1. BUSINESS SUPPORTED ACROSS THE INTERFACE**

1.178.1. The following business transactions shall be supported across this boundary:

**1.1 Transactions initiated by ESNCS**

1.178.2. Order book stops - ESNCS shall provide to OBSCS amendments to the currently held list of order books that shall be stopped and impounded when they are presented at a post office (i.e. order books where no further payment on foils within the specified order book shall be made);

1.178.3. Order book recalls - ESNCS will provide to OBSCS, and OBSCS shall receive, amendments to the currently held list of recalled order books which are to be recalled. OBSCS shall calculate the recall date in accordance with

*OBCS Business Processing Rules.* A recalled Order book shall be impounded upon presentation at a post office.

1.178.4. Purge order book notification - ESNCS shall provide a list of order books which OBCS may purge from its list of recalls or stops. OBCS shall not subsequently need to support any stop or recall action on such order books unless they are subsequently re-notified via either the stop or recall processes;

1.178.5. Restate full list - ESNCS can, on request, provide a full list of all stops and recalls that are currently in force. This is an ad hoc Transaction which requires agreement of both POCL, on behalf of DSS, and the Contractor (such agreement not to be unreasonably withheld or delayed) before it can be initiated.

1.2 Transactions initiated by the Contractor

1.178.6. Notification of outcome of order book receipt at post office - OBCS shall notify ESNCS of the outcome of the order book receipt process in the post office. The outcome shall be one of:

- a) the order book is acceptable;
- b) the order book is immediately impounded (due to a stop or recall request previously accepted from ESNCS);
- c) the order book bar-code is found to be unreadable and is to be sent by the post office to a DSS office for re-issue.

1.178.7. Notification of an order book redirection - the post office detects delivery of an order book to the wrong post office and attempts to redirect it to the correct one. OBCS shall notify ESNCS of the outcome of such events which shall be one of:

- a) the order book is redirected;
- b) the order book is found to be unreadable and is to be sent to a DSS office for re-issue.

1.178.8. Notification of outcome of order book handover to the Authorised Person - OBCS shall notify ESNCS of the outcome of the order book handover to the Authorised Person. The outcome shall be one of:

- a) the order book is handed over successfully;
- b) the order book is immediately impounded (due to a stop or recall request previously accepted from ESNCS);

c) the order book bar-code is found to be unreadable and is to be sent to a DSS office for re-issue.

1.178.9. Notification of outcome of order book foil encashment - OBCS shall notify ESNCS of the outcome of the order book foil encashment. The outcome shall be one of:

a) the encashment is successful and the number of foils encashed and the total value are reported;

b) no encashment is made and the order book is immediately impounded (due to a previous stop request accepted from ESNCS);

c) one or more foils are encashed, the number of foils encashed and their total value are reported, and the order book is impounded (due to a previous recall request accepted from ESNCS);

d) one foil is encashed, its value reported, and the order book is impounded due to the order book bar-code being unreadable.

1.178.10. Post office summary Transaction - OBCS shall notify ESNCS daily for each post office of:

a) the total number of non bar-coded order books presented at that post office;

b) the total number of order books impounded without any encashments due to the bar-code being invalid.

## 2. SYSTEM AND SERVICE RESPONSIBILITY

1.178.11. The Contractor shall provide all networks, hardware, software, procedures and training required to connect and deliver Services to the nominated ESNCS platforms. It is entirely responsible for Roll-Out, operation and management of all such resources subject to the approval of POCL on behalf of DSS. The Contractor shall provide such connection(s) at sites nominated by POCL on behalf of DSS and which may change over time.

1.178.12. ESNCS is ICL VME and UNIX based and resides in the DSS Area Computer Centres operated for DSS by EDS. POCL, on behalf of the DSS, and the Contractor shall agree, from time to time, the technical nature and implementation of the connection.

1.178.13. The Contractor shall not change the ESNCS interface as currently implemented in any way without approval by POCL, on behalf of DSS. The exception to this is the acknowledgement of order book stops and recalls which is in addition to the current implementation.



1.178.14. The Contractor'S service responsibilities extend to:

- a)transport of ESNCS created Transactions and any associated information (e.g. Reference Data) from the ESNCS service to the POCL Services along with any subsequent processing. This normally includes detecting the availability of such Transactions and data on the ESNCS services;
- b)provision of responses to Transactions where requested along with delivery to the ESNCS service;
- c)transport of Contractor created Transactions and information from the POCL Services to the ESNCS service and notification of their availability if required.

1.178.15. Agreed Service Levels for this interface are as set out in Schedule H08.

**1.179. Requirement 960 - POCL Applications - EPOSS: Zero-Value Transactions**

1.179.1. EPOSS shall allow POCL to record various zero-value Transactions to measure work done, for example for various Royal Mail and Parcelforce activities and for distribution of various forms, for example E111s. The measurement of work may be for charging Clients, for remunerating subpostmasters, for monitoring work done to check assumptions in cases where the costs are subsumed in other charges, and so forth. Potential reasons for new zero-value Transactions might be to provide data for Clients in support of Service Level monitoring, for example recording Transaction times for mail receipts.

1.179.2. Automated zero value Transactions shall be reported separately. Initially these shall be:

- a)automated payments which fall into two categories:
  - Smart Tokens, where Transactions are recorded (even if zero value) once the Client has been identified since this implies interaction with the Smart Token;
  - swipe-cards or keyed Transactions, where recording of zero value Transactions is controlled by POCL Product parameters for minimum and maximum values but where a Transaction can be made void during Customer Service;
- b)OBCS order book receipt and issue in Outlets.

1.179.3. Particular aspects are:

- a)automated payments shall continue as now;



b) extra automated Transactions, including zero-value ones such as those indicated above for book/receipt movements shall be designed as POCL Products in the normal way with normal Transaction controls and data flows, including interfaces with POCL systems.

**1.180. Requirement 971 - POCL Implementation - Farnborough Requirement**

1.180.1. Clients served using the APS shall receive only one stream of unreconciled data irrespective of the source of the polling at Outlets (whether via Farnborough or Contractor facilities). The Contractor and POCL shall agree (such agreement not to be unreasonably withheld or delayed) a strategy to achieve this requirement as from the commencement of Roll Out.

1.180.2. The strategy shall include, but not exclusively, a timetable separate from and shorter than the Roll Out timetable, for the Contractor to absorb the reducing workload from Farnborough.

**1.181. Requirement 972 - Implementation - Roll Out: Strategy**

1.181.1. The Contractor shall conform to POCL'S Roll Out strategy, which is as follows:

a) installation will prioritise the following seven (7) major conurbations for Roll Out: West Midlands; Greater Manchester; Merseyside; Leeds / Bradford; Tyne and Wear; Glasgow / Edinburgh; Urban South Wales;

b) the M25 Roll Out shall take place during the second half of the overall Roll Out Programme.

**1.182. Requirement 973 - End to End Service - Internal Interface Specifications**

1.182.1. The POCL Services may, during the lifetime of the Codified Agreement or at termination, need to be replaced or supplemented with services provided by other suppliers. It shall therefore be both technically and commercially viable for the POCL Services to be replaced by and/or interfaced to services from other suppliers. To support this, the Contractor shall declare all internal interfaces between separate POCL Services within the overall POCL Service Architecture.

1.182.2. For each interface the Contractor shall provide an interface specification covering:

a) A definition of the business processes supported across the service boundary, including who originates the processes.

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b) All business transactions supported across the service boundary including responses, associated information, any supporting facilities and any constraints including required timings.

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#### Pathway Response

##### 1. Service Principles

Pathway will supply all the Office Platform Service equipment which is required for testing, acceptance and training for those POCL Services which are provided by Pathway under this Contract. The charges for such equipment are included in the Service prices. If additional Office Platform Service equipment is required by POCL for other purposes, including for example the testing of Services or systems that are not supplied by Pathway, then Pathway shall supply such equipment under the normal commercial terms and prices which are prevailing at the time.

It should be noted that title to all equipment which is provided as a part of the contracted POCL Services remains with Pathway and the equipment will be reassigned to operational use by Pathway when it is no longer needed for testing.



The following paragraphs provide further details of this "service principle" as it applies to the examples raised by POCL.

2. Acceptance Testing:

Pathway will supply the Office Platform Service equipment that is reasonably required to test and accept new Office Platform Services provided that it is:

- a) required in support of the POCL Services provided exclusively by Pathway and
- b) required to satisfy the Acceptance Criteria

3. Destructive Testing:

Upon request by POCL, Pathway will supply sample units of the Office Platform Service Equipment for destructive testing. The first sample of each generic type of unit will be provided at no charge to POCL and any subsequent units will be supplied at normal commercial prices.

4. Other Testing by POCL:

POCL may require additional Office Platform Service equipment to support in-house testing or for testing third party applications, systems or services. Pathway will provide such Equipment under normal commercial terms and prices.

5. Training:

ICL Pathway will carry out classroom training only. ICL Pathway will provide the equipment for class room training as part of national Rollout.

If additional equipment is required by POCL or third parties to support training which is not undertaken by ICL Pathway then such equipment will be supplied on normal commercial terms and prices.

6. Demonstration & Marketing:

Pathway will provide Office Platform Service equipment which is required to demonstrate and market new Office Platform Services to clients and prospective clients. The equipment that is required will be set out in marketing plans which are agreed jointly between POCL and Pathway.

Pathway Comment

Nil

**Reference No 464**

**Pathway Response**

It is agreed that Services which utilise the OPS and TMS may only be provided subject to the express agreement of POCL.

**Pathway Comment**

Nil

**Reference No 465**

**Pathway Response**

1. Equipment Livery

Pathway will agree with POCL the standards for equipment livery to be used within OPS. These standards will reflect the POCL Style Guide for Post Offices and will be used as the basis for all equipment installed in all outlets which provide the OPS.

2. Equipment Appearance

The effort required to maintain the OPS equipment will be minimal and capable of being undertaken by the local post office staff. It will be comparable to the cleaning required of any desk-based office computer system and will typically consist of occasional dusting and screen cleaning.

3. Cleaning Materials

Pathway proposes that any cleaning materials that are required shall be supplied in the same way as for other Consumables.

**Pathway Comment**

In order to take account of the costs of the livery within the Tender we shall need early access to the POCL Style Guide for Post Offices. Pathway anticipates that one aspect of the standards for equipment livery will be the colour of equipment casings. Whilst this presents no problems in principle the earliest definition of the preferred choice will be important in order that equipment lead times are not affected. Pathway would wish to supply standard colour equipment into the Operational Trial phase should post office livery equipment not be available at that time.

**Reference No 466****Pathway Response**

Pathway's solution is as set in Schedule B04.

**Pathway Comment**

Nil

**Reference No 467****Pathway Response****1. Connection of OPS to TMS**

The Pathway solution for OPS is based on a PC configuration at every counter. Each counter configuration is linked to a Local Area Network within the post office. Each post office configuration is linked to TMS over an ISDN Wide Area Network.

This connection supports the transfer of authorised data files and messages in both directions.

**2. Data Transfer**

The Pathway solution for TMS uses data replication and synchronisation techniques to ensure that data transfer between post office counter positions within OPS and between instances of OPS and the TMS are secure, complete, accurate and robust. In addition techniques including Cyclic Redundancy Checks, Digital Signatures and Encryption are used to ensure data integrity.

**2.1 Secure Data Transfer**

Once a transaction has been settled at a counter position the full transaction details are committed to that users journal. These details are automatically replicated to all other PC's in the post office to ensure that the data has been securely captured. In addition these transaction details are automatically replicated to a remote server within TMS. Data and message transfer may originate from an individual counter PC (e.g. a bill payment) and be replicated to TMS or from a POCL Client system (e.g. APS Host) which then uses TMS to distribute data to OPS.

The OPS PCs and TMS servers are known as nodes which are logically grouped into a number of work groups.

All messages from a single node are generated in a strict numbered sequence and with a unique node identification. Any attempt to introduce a fraudulent message will be detected and rejected.

This approach is resilient to either network or node failure since a TMS node and an OPS node will be always aware of each others state. When the failure condition is resolved the nodes will automatically synchronise and complete any data or message transfers that are required to ensure both nodes are in a consistent state.

## 2.2 Data Integrity

Three techniques are used to ensure data integrity within the OPS and as part of data/message transfer between OPS and TMS.

These are CRCs used for all node journal messages, DSA based Digital Signatures used for all data where assurance of content and source are required and Data Encryption used selectively on certain data fields.

All messages have a CRC applied when they are initially committed to the journal and this is checked every time the message is accessed. This protects against accidental corruption and casual tampering. Any failure of a CRC check will cause the message to be rejected and retrieved from an alternate node.

When authentication of the origin of data is important, a digital signature is applied to the data prior to transmission and then checked upon receipt. A CRC is generated for the data contents, then one-way encrypted and the result encrypted using a DSA private key. Upon receipt the CRC is recovered using the public DSA key and compared with the newly encrypted checksum from the received data. If the results match then the data content and its origin are assured.

Data encryption may be used selectively to protect the values of certain data items.

Thus any attempt to alter the data will be automatically detected and logged for subsequent investigation.

## 3. Status of TMS data collection



The Pathway solution for TMS and OPS automatically replicates in the TMS all of the transaction data which is created using the OPS. The data is then available for processing by the relevant client system which may include Pathway, POCL or POCL client systems.

The replication period between OPS and TMS is configurable and will be defined according to the urgency of the transaction data. Data replication will also take advantage of connections that are established between TMS and OPS for other purposes. E.g. An OBCS transaction etc.

This process runs automatically throughout the day and is optimised to take advantage of any connections that TMS might make to OPS. The exact status of transactions from one moment to the next may be different. Consequently a report identifying the status of transaction data is felt to have little business value.

Pathway believes that the key requirement is to ensure that end-of-day procedures provide TMS with data in a known state at each post office and enable Client processing to proceed on a consistent dataset.

The Pathway solution for EPOS will initiate a connection to replicate the final end-of-day balances and this process will also enable the replication of any outstanding transactions that have not previously been sent to TMS.

#### Pathway Comment

Nil

#### Reference No 468

#### Pathway Response

Pathway's solution draws upon the experience gained by delivering field services to Camelot's National Lottery terminals which are often sited in locations where space is very limited.

The hardware platform and associated peripherals have been chosen with minimum maintenance in mind. All faults will be diagnosed with the aid of expert systems by the Horizon System Helpdesk and it is anticipated that fewer than 25% of calls will require a visit by a field engineer to replace an unserviceable component. It is our experience that the majority of visits will be completed within 20 minutes of arrival. If

the maintenance or repair operation is predicted to take longer than 20 minutes then Pathway will replace a whole unit or module to minimise disruption at the counter.

Optionally, a postmaster may elect to defer a visit to a time which he believes is more convenient for himself and his customers. For example, in a larger crown office, if a fault occurred at the busiest time of day and the postmaster preferred that the engineer arrived later, or even on a different day, then he could request a deferred visit. In these circumstances, the request for service would be diagnosed fully but then suspended until the preferred appointment time. Clearly the time in suspension will not count towards down-time for the purposes of service measurement and performance targets.

**Pathway Comment**

Nil

**Reference No 469**

**Pathway Response**

**1. General**

The OPS is provided by a suite of software procedures which are invoked by an Application Programming Interface, and a set of counter applications which perform specific business functions. These are all run on a hardware infrastructure provided at each post office counter.

Pathway will provide the following OPS technical documentation.

**2. The OPS Architecture Document**

A document which describes the overall systems architecture of Pathway's solution and the functionality of the various sub-systems which comprise the suite of software. This includes a description of the Counter Applications Architecture which describes how counter applications utilise the OPS.

**3. The OPS API Document**

A document which describes the full set of API's provided by the OPS. Some of these are used by the counter applications.

**4. The Counter Hardware Specification Document**



A document which provides a technical specification of the equipment provided in a post office as part of the OPS.

#### 5. Change Control

It is important that the Contractor exercises his own management control over the technical design of the POCL Services so that the operational effectiveness and efficiency of the POCL Services can be maintained and improved through time. All changes to the documentation will be passed to POCL for their agreement however Pathway believes that the final design authority for technical documentation and changes to them must reside with the Contractor. Pathway is prepared to discuss particular essential properties of the technical design which POCL believe must be preserved through changes to the documentation if this is considered helpful.

#### Pathway Comment

The requirement only identifies the need for technical documentation, it does not directly address the related implications of developing and using third party applications or hardware on the Contractor's service platform. The Contractor must ensure that the technical and operational integrity of the OPS is not compromised by third party applications or hardware. It will therefore be necessary for any third party applications or hardware to be verified and approved by Pathway before installation or connection to the OPS. In addition to the provision of the technical documentation, Pathway will support the procurement of third party Applications or Hardware by offering a design, Integration, Test and Approval Service. The operational implications of third party applications and hardware must also be considered since they will utilise resource capacity of the OPS and perhaps other related POCL Services. Implementation and ongoing service management for third party hardware and applications may be required from the Contractor in many cases. Pathway is prepared to offer commercially attractive services to meet all of these requirements.

#### Reference No 470

#### Pathway Response

##### 1. Technical Documentation

The TMS is provided by a suite of software procedures which enable counter applications and Client systems to securely communicate and exchange data in support of a specific set of

business functions. Counter applications invoke the TMS through the TMS applications Programming Interface. Client systems invoke the TMS functionality through Agent software.

Pathway will provide the following TMS technical documentation.

2. The TMS Architecture Document

A document which describes the overall systems architecture of TMS and the functionality of its various software sub-systems. This includes a description of the Agents which describes how Client systems utilise the TMS.

3. The TMS API Document

A document which describes the full set of API's provided by TMS. Some of these are used by the Client Agents in support of Client systems.

4. The TMS Hardware Specification

A document which provides a technical specification of the equipment provided in data centres in support of TMS.

5. Change Control

It is important that the Contractor exercises his own management control over the technical design of the POCL Services so that the operational effectiveness and efficiency of the POCL Services can be maintained and improved through time. All changes to the documentation will be passed to POCL for their agreement however Pathway believes that the final design authority for technical documentation and changes to them must reside with the Contractor. Pathway is prepared to discuss particular essential properties of the technical design which POCL believe must be preserved through changes to the documentation if this is considered helpful.

Pathway Comment

The requirement only identifies the need for technical documentation, it does not directly address the related implications of developing and using third party applications which utilise the TMS. The Contractor must ensure that the technical and operational integrity of the POCL Service is not compromised by third party applications. It will therefore be necessary for any third party applications to be verified and approved by Pathway before connection to the TMS. In addition to the provision of documentation, Pathway will support such connections by offering a Design, Integration, Test and

Approval Service. The operational implications of third party applications must also be considered since they will utilise resource capacity of the TMS and perhaps other related POCL Services. Implementation and ongoing service management for third party applications may be required from the Contractor in many cases. Pathway is prepared to offer commercially attractive services to meet all of these requirements.

#### Reference No 471

#### Pathway Response

##### 1. Broadcast facilities

Pathway will provide a Broadcast facility which will enable short messages to be sent to all or a subset of outlets from a central location. The message will be input into an application running on the central TMS servers and will be replicated to post offices as required. At the local post office each counter position can access these messages and selectively open and view the message. Once a User has read a message this fact is recorded in the journal.

The user will be prompted that a message is outstanding by an indicator on the top of their screen. On selecting the Office Message icon the user will be presented with a list of messages with an indicator showing their status (read or unread). The message can be printed as required.

Pathway will need to agree with POCL the precise mechanisms for enabling messages to be input into the TMS application and on the method of grouping PO outlets in order to optimise outlet selection.

##### 2. Access to electronic information

Subject to the comment below, Pathway is able to provide an electronic information facility so that counter staff using the OPS are able to gain access to information in support of counter transactions and for general education and information. Such information may comprise or be derived from sources including Counter News, Regional Bulletins or Operations Manuals.

Pathway will provide a facility which will enable these and other documents to be distributed to outlets and viewed locally. The documents would need to be supplied to Pathway in an agreed format (e.g. HTML). These would be distributed

together with an updated index using Riposte. Access to these documents would be via an appropriate HTML viewer operating within the users Riposte desktop.

Pathway will agree with POCL or other Clients the retention periods for these documents.

Pathway will agree a charging structure for this service which is expected to be based on file size and incidence of distribution.

#### Pathway Comment

Pathway believes that the second part of the requirement (paragraph 2 above) is complex both for the Contractor and for POCL who would need to originate the information of electronic access. It is pointed out that for contingency & fallback purposes the service documentation must be provided in paper format anyway and thus two sets of information need to be maintained incurring additional costs. Pathway would like further discussions with POCL regarding the business needs. At present Pathway does not believe the facility is cost effective.

#### Reference No 472

#### Pathway Response

##### 1. Introduction

Pathway's solution for the OPS is based on a set of counter applications running on processors at every counter position. The counter applications all operate under Riposte, a suite of software which provides mechanisms for ensuring data security and integrity within the OPS and across the network to TMS. In addition Riposte ensures this distributed architecture is fully resilient by replication of data across the OPS and TMS together with effective algorithms for synchronisation whenever the replicates are out of step.

##### 2. Accurate and Robust Data Capture

The design of the counter applications and the menu structures have been designed to minimise data input and to ensure that only valid and accurate data is captured at the relevant point within a counter transaction.

The counter applications will be invoked by an event driven process wherever possible. This will typically be a card



swipe, a bar code read or optionally a single touch on touch screen panel. The data associated with these actions will be captured automatically. Some transactions will require no further data input and the transaction will be completed by invoking a Receipt (where required) and the Settle function.

Supporting data may be required for some transactions including quantity, value or transaction specific details such as account number. Check-digits will be used where this used by a particular client transaction.

A running total showing quantity and value of each transaction is visible on the screen, and any errors can be reversed where the transaction type allows.

### 3. Integrity and Security of Data

Once a transaction has been settled the full transaction details are committed to that users journal and Riposte then replicates these details to all other PC's in the post office. In addition the transaction details are replicated to a remote server within TMS. These PC's and servers are known as nodes which form a Riposte workgroup.

All messages from a single Riposte node are generated in strict sequence and with a unique node identification. The introduction of an additional stream of messages will be detected by Riposte and rejected.

Three techniques are used by Riposte to ensure data integrity. These are CRCs (Character Redundancy Checks) used for all Riposte journal messages, DSA based Digital Signatures used for all data where assurance of content and source are required (i.e. AP records) and Data Encryption used selectively on certain data fields.

All messages in Riposte have a CRC applied when they are initially committed to the journal and this is checked every time the message is accessed. This protects against accidental corruption and casual tampering. Any failure of a CRC check will cause the message to be rejected and retrieved from an alternate node.

When authentication of the origin of data is important (i.e. for AP records), a digital signature is applied to the data prior to transmission and then checked upon receipt. A CRC is generated for the data contents, then one-way encrypted and the result encrypted using an DSA private key. Upon receipt the checksum is recovered using the public DSA key and compared

with the newly encrypted checksum from the received data. If the results match then the data content and its origin are assured.

Data encryption mechanisms are available and will be used selectively to protect the values of certain data.

Reference is also made to Pathway's responses to Risk 65 and supplementary questions (PWAY065 to PWAY065c inclusive) which concern security of data from OPS to TMS, and the Security Functional Specification.

#### 4. Audit trail

All data captured at a post office counter either as part of a counter transaction or as an administration function (user log-on, teller balance) will form part of a unique transaction which is given a unique reference number by Riposte. The format of this journal entry will vary according to the transaction type but will typically contain :-

- Post Office ID
- Counter Position ID
- Unique Transaction ID
- Date
- Time
- User ID
- Application
- Transaction Details

Each counter PC contains a journal and all journal entries are automatically replicated to all other members of the workgroup. This will include all the counter PC's in the post office and one of the remote Servers (known as Correspondence Servers) that form part of the TMS. This Correspondence Server will in turn replicate all its transactions to two other Correspondence Servers located on different sites.

Once data is stored in the journal it is never altered. New transactions are always appended to the journal. Retrieval of data using a particular key field will retrieve all entries containing that field and logically determine the overall state of the transaction data.

A complete audit trail of all transactions and other significant events is maintained within the post office systems and is automatically available for analysis by both audit access facilities and value added services which are linked to TMS.

#### 5. Data Security and Integrity following failure



The Pathway solution for OPS ensures that data security and integrity is maintained in the event of failures of the OPS. Riposte provides synchronisation facilities which will automatically check the status of the journal for a node when it is re-established following failure. Should the journal be out of step (e.g. through failure of the counter PC) Riposte will automatically synchronise the journal and any data files to the same state as all other journals in that workgroup. Synchronisation may occur from another counter PC (in a multi-counter office) or from one of the Correspondence Servers (in a single counter post office).

The data security features described above are not affected by this process and no user intervention is required to effect synchronisation.

Pathway Comment  
Nil

Reference No 473

#### Pathway Response

##### 1. Remote Access to OPS

Users may only log-on to the OPS in their local post office. Any access to data or services outside of the local post office is controlled exclusively by the relevant counter application.

##### 2. User Access to OPS

Authentication of all users logging on to the OPS in the post office is undertaken by the OPS operating system. Full access control and password management facilities are provided. The OPS uses this information to ensure that only authorised staff are allowed access to applications, and then only to those applications for which they have permission. Each user is identified by a unique password. The procedure for logging-on to the OPS is described in the Counter Operations Procedures manual.

In order that a specific role for POCL Auditors can be created Pathway will need to understand the specific functions that are required to be associated with this role and where these are different from the Post master. The normal user hierarchy would place the Postmaster as the most privileged user with a series of roles and lesser permission levels subservient to this.

If specific functions are required for Audit that are not available to the Post master, then the Audit user would require an independent method of setting the password. In this situation the approach outlined below for lost password and linked to the Audit user would be used.

### 3. Restricted Functionality

Agreement will be required on the POCL Services (e.g. AP etc.) that are to be provided at an outlet. Where it is known that a POCL Service will never be required in an outlet, then the counter applications reference data will not include that POCL Service. Where an existing POCL Service might be required in particular outlets in the future, access to the applications will be disabled from the user desktop by means of reference data.

In addition it will be possible to restrict certain transaction types in an outlet (e.g. no MVL sales). This will be achieved by disabling the appropriate entry within the desktop through reference data.

Pathway understand that service or functionality provision / non-provision is determined at the outlet level, and is not directly related to User Access.

### 4. Lost Password

The OPS will provide facilities to enable the Postmaster to establish new users and set an initial password for all users in his/her post office. Should a user forget their password the Postmaster can reset the password. The same procedure applies at single counter position post offices and multiple counter position post offices.

For situations where the sole user (e.g. Postmaster in a single counter office) has lost his password, the OPS will provide the facility to generate a unique key as part of the log on to a specific username (e.g. user SETUP). This will be phoned to the Horizon System Helpdesk who will provide the corresponding key which when input to OPS will allow access to the administration facilities. The user may then reset his user password.

### 5. Suspend and Resume

A facility which enables users to securely suspend their current session and then to resume the session is provided as

part of the overall OPS functionality. The suspend function is invoked by the user using a specific keystroke (e.g. Control + Key) and may be performed at any time providing that there is no counter transaction in progress, or where the transaction integrity may be compromised by allowing a suspension (e.g. part way through a smart card transaction). The suspended session may be resumed by the user entering his password.

Further details on secure timeout are now covered in response to requirement 921.

**Pathway Comment**

None.

**Reference No 474****Pathway Response**

1. Health, Safety and Legal on OPS equipment.

1. All OPS Equipment will be continuously rated and capable of functioning safely and reliably, attended or unattended, for an indefinite period in outlets.

2. Each installation of OPS will be physically and electrically safe and in compliance with relevant legislation and recognised best practice. It will not cause interference with other devices. It is noted that the equipment may be installed in premises that would be classified as residential.

2.1 This includes all relevant UK Regulations and Council Directives (that is, Directives of the Council of the European Communities) which are implemented by HMG. The equipment will be maintained as demanded by subsequent legislation.

2.2 This includes mandatory standards, including all relevant UK Regulations and Council Directives (that is, Directives of the Council of the European Communities) which are implemented by HMG. The equipment will be maintained as demanded by subsequent legislation including mandatory standards.

2.3 OPS equipment will comply with BS EN60950 : 1992 (BS7002 :1992) and any subsequent amendments will be applied there after to any new OPS equipment deliveries or any repaired and subsequently re-introduced OPS equipment.

2.4 All OPS equipment comprising AC power adapters will comply with BS EN60065 : 1993 (BS7002 :1992).

2.5 The workstation aspects of all OPS equipment will comply with the Health and Safety (Display Screen Equipment) Regulations 1992, which implement Council Directive 90/270/EEC on working with display screen equipment.

2.6 Any OPS equipment containing laser emitters will comply with BS EN 60825:1992. (Examples laser printers and laser barcode scanners).

2.7 Any OPS telecommunications equipment will comply with Council Directive 91/263/EEC (the Telecommunication Terminal Equipment Directive) and have a current BABT certificate or equivalent for connection to the public telephone network.

2.8 All OPS equipment defined as Machinery will comply with the Supply of Machinery (Safety) Regulations 1992, which implement the Machine Directive 89/392/EEC as amended by 91/368/EEC.

2.9 All OPS equipment will comply with the Electrical Equipment (Safety) Regulations 1994, which implement the Low Voltage Directive 93/23/EEC as amended by 93/68/EEC.

2.10 All OPS equipment will meet the requirements of the Non-automatic Weighing Instruments (EEC Requirements) Regulations 1992 Schedule 3 Applications.

2.11 All OPS visual display terminal equipment will comply with the relevant requirements of either BS 7179:1990 or ISO 9241:1992 (applies to keyboards).

2.12 All Equipment which falls within the scope of The Electromagnetic Compatibility (EMC) Regulations 1992, which implement Council Directive 89/336/EEC (as amended by 92/31/EEC), will comply with these regulations.

2.13 All OPS Equipment will meet the minimum EMC requirements of both residential and commercial installations, including compliance with BS EN 50081 and BS EN 50082 with the following amended test severity levels and with no degradation of performance:

IEC 801 part 2 class 3, 6kV contact discharge

IEC 801 part 3 3V/m

IEC 801 part 4 +/- 1kV injected onto mains AC supply

IEC 801 part 5 +/- 2kV.

2.14 All OPS equipment covered by EN45501:1992 will comply with clause A4.5 (voltage variations) and Annex B of that standard.



2.15 All items of OPS equipment will have an Index of Protection rating of IP3X as defined in BS EN 60529:1992.

3. The OPS equipment and its installation will not constrain POCL and its agents from meeting their legal safety responsibilities as employers.

4. Pathway will prove compliance with legislation or mandatory standards as and when necessary.

#### Pathway Comment

1. With respect to those requirements at paragraph 2 above, which require adherence to "subsequent legislation and standards", we have slightly modified the wording to make it clear that the requirement to modify any existing installed equipment would apply only in circumstances that the subsequent legislation demanded such action. We believe that this is the intended meaning.

2. To support the commitments set out above the Contractor must be empowered to make changes to the equipment and specifications in line with changing legislation and standards.

#### Reference No 475

#### Pathway Response

##### 1. Style Guide

Pathway will produce the Horizon OPS Style Guide which will set out the general guidelines for the Human Computer interface, including screen layouts, systems navigation routes and help and manual entry facilities.

All counter applications developed for POCL by Pathway will conform to the Horizon OPS Style Guide.

Any changes to the Horizon OPS Style Guide documentation will be agreed with POCL.

##### 2. Human Computer Interface

The HCI for the Pathway OPS is designed to be intuitive and easy to use. The design principles and user interface functionality are drawn from the successful operational experience of An Post. Key facilities that underpin all counter applications are :-

An efficient and intuitive method of transaction selection exploiting touch-screen and function-key driven techniques

A menu hierarchy based on "most used" transactions

Transaction selection which can be invoked by peripheral events e.g. card swipe

A seamless link between transaction selection and counter application

A common and consistent User Interface for transaction selection and counter applications

These facilities will greatly assist in achieving the objectives of minimising errors and optimising transaction time.

**Pathway Comment**

none

Reference No 476

**Pathway Response**

1. Terminology

For control purposes Pathway believe, that the definition of reference data should be refined to discriminate between Business Reference Data which is essential to the POCL businesses and Operational Reference Data which is controlled by Pathway and is relevant to the management of the Contractors Services.

2. Control of Releases

2.1 Release Principles

POCL require that the Contractor shall undertake the delivery of the POCL Services to meet demanding business requirements. Failure to meet contracted performance targets will incur performance penalties. In order to deliver POCL Services which meet the contracted requirements and performance levels at an economic price it is essential that the Contractor is empowered to manage the all aspects of POCL Service delivery and this must include the control of new releases. Pathway recognises that POCL has a legitimate interest in the business functions that are provided by the POCL Service and needs to be assured that the quality of the delivered systems meets the contracted requirements. The processes, tests and quality reviews which are required will be open to POCL and Pathway will particularly seek active participation in tests of business functionality



and the Human Computer Interface. It is recommended that Pathway takes complete responsibility for the management of releases in line with the contractual commitments requested by POCL

This section continues with further explanation of the above principle as it applies to the headings provided in the requirement.

## 2.2 Release Contents

Pathway recommends that the content of a release should require the agreement of POCL with respect to the introduction of new POCL Services or the deletion of existing POCL Services or changes to existing POCL Services which affect the essential business functions of POCL. All such changes to POCL Services should be initiated through contract change control.

For the reasons which are set out above Pathway should retain clear responsibility for all other changes to release contents. Such changes may be justified for many reasons but including for example: contract compliance, quality, technical strategy and cost control.

## 2.3 Release Distribution Timing

Pathway believes that there is only one circumstance when POCL should determine the timing of the distribution of new releases. That is when a new Client is connected to the POCL Service for the first time. In all other circumstances the control of the distribution of releases should be at the discretion of the Contractor.

## 2.4 Release Activation Timing

Pathway recommends that the timing of release activation should require the agreement of POCL with respect to the introduction of new POCL Services or the deletion of existing POCL Services or changes to existing POCL Services which affect the essential business functions of POCL. This includes the release of the Business Reference Data which is referred to in Section 1 above. All such changes to POCL Services should be initiated through contract change control and it is anticipated that any particular favourable or unfavourable times for the activation of releases will be declared in the change request.

Pathway believes that in all other circumstances the responsibility for the timing of the activation of new releases should be at the discretion of the Contractor.

### 3. Release Testing

Pathway will provide evidence that the each release has been tested so that it is shown to meet the Service requirements and service levels. POCL will be invited to participate in those tests associated with proving business functionality and Human Computer Interface aspects of new releases. Other evidence will be provided in the form of written test reports and invitations to attend quality review meetings. Evidence of testing for major releases of new software and functionality will be provided at the levels of:

- Unit Tests

- System Test

- Representative combinations of hardware and software.

The release testing strategy above is too heavy for testing minor releases of software or for reference data and appropriate procedures will be defined for different classes of release.

### 4. Preparation For Release

Pathway will complete the testing of major new releases in three steps prior to full distribution of major new releases. These are:

- A Test conducted in a simulated post office and operated by real and representative POCL users.

- A test of implementation and live operation in a limited number of post offices for a limited period before general distribution.

- A test of reversion to the previous release.

The release testing strategy above is too heavy for testing minor releases of software or for reference data and appropriate procedures will be defined by Pathway for different classes of release.

### 5. No Disruption to Users and the Working Environment

Releases of software and and/or reference data will be distributed across the network and therefore will require minimal user involvement and no significant disruption to users or to the working environment.

### 6. No Corruption to POCL Data

The data within software and/or reference data is protected at source by a CRC check key which is applied by the Riposte

system. Following distribution of the release, the CRC is checked to ensure that no corruption of the data has taken place. The release of software and/or reference data will not cause any corruption to data held on behalf of POCL.

#### 7. Record of Releases

A record of the release of software and reference data which is in use at each post office will be maintained under configuration control within an asset data base which is maintained by Pathway.

##### Pathway Comment

In responding to requirement at paragraph 2, item (b) we have assumed that "the upgrade path for any release " means new releases beyond the next release. It is apparent that other interpretations of the meaning are possible.

##### Reference No 477

##### Pathway Response

Pathway will support the management of the POCL Services using an OPS asset register which will record all of the physical system components. The OPS asset register will identify all of the Equipment which is installed at each site. A list of the assets at each site will be made available to POCL upon request.

The OPS asset register will contain essential operational information that will support the management and control of both rollout and Operational Services. Including for example:

- site address and contact information
- site implementation status details
- system configuration details
- equipment types and serial numbers
- software versions
- applications versions.

The OPS asset register will be an integral part of a wider Management Information System that supports help desk functions and the management of rollout schedules and Operational Services.

##### Pathway Comment

None

**Reference No 478****Pathway Response**

1. The Pathway solution for TMS will link into each instance of OPS that is to be used for production work using an ISDN network.

2. TMS supports links into other computer systems through client-specific TMS software Agents. These Agents will reside on the TMS servers and will manage any client specific data manipulation and communications links. Pathway will provide those Agents required to support those host systems provided as part of the overall Pathway solution.

The specification for additional Agents required to provide links from TMS to other computer systems, including POCL's own systems and those of POCL's clients, will be agreed jointly between Pathway and POCL.

3. Data file collection and delivery

3.1 TMS supports the distribution and collection of electronic data to and from the OPS. This is achieved by the automatic replication of transactions from the OPS in a post office to a TMS server. Similarly data provided to TMS from a host system is replicated to a set of OPS systems in post offices.

3.2 These processes may be initiated by :-

Operator action - This will comprise the normal operational activities in managing the data transfer from Pathway host systems to TMS, or will comprise the normal actions of the counter clerk in carrying out transactions on OPS.

Once a datafile has been passed to TMS or a counter transaction has been committed within OPS the collection/delivery of this data is automatic.

Time - The time interval between data replication from OPS to TMS may be set according to the urgency of the transaction. Pathway's solution will optimise any network connection made from TMS to OPS in a post office by replicating any accumulated transactions to TMS.

External message - The requirement for an attached computer system to initiate a data file collection or delivery will be met by the functionality specified within the relevant TMS Agent.



TMS initiated - The Pathway solution for TMS automatically provides data collection / delivery to and from OPS.

3.3 The Pathway solution for TMS automatically replicates data between TMS and OPS, and between individual PC's within a post office OPS. Following a failure of either a TMS node or an OPS node, TMS will automatically synchronise the restored node to an up-to date state. This will include any data file or transaction collection/deliveries that are outstanding.

The recovery facilities available for file transfer between TMS and an attached computer systems will be dependent on the precise method of connection and the protocols and file transfer standards that are used. These will be jointly agreed between Pathway and POCL as part of the specification for connecting an attached computer system.

3.4 A TMS node contains a configuration file which specifically defines the OPS nodes with which it can exchange data. File transfers to/from attached computer systems will be controlled by Pathway operational procedures and by the facilities provided in the jointly specified file transfer method.

#### 4. Messaging capability

##### 4.1 Messaging Switching

TMS will generally provide the facility to pass messages from one attached computer system to another. Such message transfer will be predefined in that message format, source and destination, verification and service levels will have been previously agreed between Pathway and other appropriate organisations.

Pathway anticipate that this requirement is principally aimed at enabling communication between OPS and other attached Client host systems in support of future counter applications (e.g. links between post offices and DNS to support a savings product).

Subject to the comments below, Pathway is able to develop a facility which enables messages created in one post office to be sent via TMS to another post office. A counter application will enable authorised Users to create messages and address them to another post office using the FAD code / name. A TMS agent will periodically extract these messages and forward them to their destination using a centrally managed directory.

#### 4.2 Message non-delivery

The TMS message Agent would monitor all message-read messages that are created by post offices and at periodic intervals (typically at end of day) reconcile messages sent with messages read. Any non-read messages would result in an advisory message being sent to the originator.

#### 4.3 File processing

Pathway's solution for TMS separates the generic functions of secure and highly resilient transaction management from the client specific requirements for data file processing.

The former are provided as generic facilities for all transactions. The latter are provided in the form of TMS software Agents which are designed to perform specific functions in support of the links and data processing required for individual host systems.

To facilitate the development of these Agents Pathway will supply a set of generic Agents which will form the basis for different forms of host system interaction.

These will include :-

File Distribution - the acquisition of data from client systems and the creation of files for distribution

Client Processing - the collection and formatting of transactions for host systems and the transfer of data to/from host systems

On-Line - enabling an on-line connection to be made from OPS via TMS to a host system

The generic facilities provided by the Pathway Agents will be customised for each specific host system link and will provide the following facilities :-

- validation of data files
- consolidation of many data files into one data file
- generating many data files from one data file
- reformatting the contents of a data file
- generating control totals through access to the contents of data files
- reconciliation of control totals
- produce reports summarising financial transactions



5. All events that occur either in TMS or in OPS are written to a journal. These journal messages include all the data required to uniquely identify the user, the location, the transaction and the date/time of the transaction. Data, once written to the journal, can never be altered. Information in the journal is available for analysis as required.

6. The facilities that ensure data transfer in TMS is secure, complete, accurate and robust are described in Pathway's response to requirement 467.

#### Pathway Comment

Pathway believes that the post office-to-post office messaging capability (paragraph 5 above) expressed in this requirement is complex having many characteristics in common with a full E-mail service, including for example the need for directory services. The requirement could incur significant costs when applied to 20,000 offices. We believe that the Message Broadcast facility which is described at requirement 471 may meet many of the POCL needs. Pathway would like further discussion with the POCL regarding the business needs. At present Pathway does not believe the facility is cost effective.

#### Reference No 479

#### Pathway Response

##### 1. Connection of Computer Systems to TMS

Pathway will not connect any computer system to TMS without the express authority of POCL.

##### 2. Authorised Connections

##### 2.1 TMS connections to OPS

The Pathway solution for TMS is based on a network of servers which connect to the Pathway OPS equipment in each post office using ISDN or frame relay. Configuration files are initially established on each TMS server which restrict its connection to a fixed set of other computer systems. These will be the other TMS servers to which data is replicated and a defined set of post office gateway PC's. These form the servers workgroup. Data replication and message transfer will only occur within this workgroup.

The TMS server configuration files may only be accessed by authorised personnel within Pathway.

Data encryption mechanisms are available and will be used selectively to protect the values of certain data items.

Reference is also made to Pathway's response to Risk 65 and supplementary questions (PWAY065 to PWAY065c inclusive) which concern security of data from OPS to TMS, and the Security Functional Specification.

## 2.2 TMS connections to Host Systems

Systems which are provided as part of the overall Pathway solution including for example MIS and System Management will be connected to the TMS using network links. Pathway will establish these systems in secure areas and no unauthorised hosts system will be connected to these networks.

The physical network addresses of these host systems will be contained in the configuration files of the TMS servers to prevent unauthorised access. It is Pathway's intention to exploit Closed User Groups when these become available from the network supplier.

## 3. Identity Authentication

The authentication of computer systems connecting to TMS is dependant on the protocol used to support the connection to each Client system and the security facilities that it supports.

The Pathway solution for linking TMS to OPS uses ISDN. The TMS and OPS systems will use Call Line Identification to provide assurance that the calling system is from a valid number.

Pathway will be pleased to work with POCL to design solutions for Identity Authentication as new Client systems require connection to TMS.

## 4. Reports

Pathway will provide reports to POCL of any rejected attempts of other computer systems to link to TMS on request.

### Pathway Comment

Nil

## Reference No 480

## Pathway Response

The TMS is logically discrete from other POCL Services such that, in extremis, the service could be separately procured.

## Pathway Comment

None

## Reference No 481

## Pathway Response

Pathway will provide a set of PPDs that define the OPS operating procedures for use by staff at post offices. The PPDs will include processes for transactions, accounting, balancing, stock taking and action to be taken in the event of an emergency such as a system failure.

Pathway will cooperate with POCL to allow POCL to include instructions from the PPDs in the POCL operations manuals and other operational instructions for Users.

## Pathway Comment

None

## Reference No 482

## Pathway Response

Pathway will agree the PPD format as part of the PPD production process.

## Pathway Comment

1. Pathway urgently requests a copy of the POCL identity and communications standards documents be provided well before ITT so that compliance can be assured and correctly priced within the Tender.

2. Pathway is in discussion with POCL to determine the appropriate Identity standards for the Pathway services. We believe that this is important with respect to the Services provided directly to POCL's User community.

CODIFIED AGREEMENT

SCHEDULE A16

RESTRICTED CONTRACTS

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Reference No 484

Pathway Response

None.

Pathway Comment

None.

Reference No 485

Pathway Response

The PPDs will be updated when necessary to reflect the new releases of the software so that the information is always current.

Pathway Comment

None

Reference No 486

Pathway Response

None.

Reference No 487

Pathway Response

Pathway confirms that it will carry out a survey of outlets to ascertain what modifications are needed to install the POCL Service Infrastructure.

Pathway Comment

Nil

Reference No 488

Pathway Response

Pathway confirms that the installation and acceptance of the office platform at outlets will be undertaken in one day.

Pathway Comment

None.

**Reference No 489****Pathway Response**

Pathway confirms that it will disconnect and remove to an agreed location existing automated equipment as specified in the CCD entitled "Installation Strategy". This service will be provided at no additional charge to POCL.

**Reference No 490****Pathway Response**

None.

**Pathway Comment**

None.

**Reference No 491****Pathway Response**

Pathway confirms that it will carry out internal office modification work at all outlets necessary to enable the installation of the office platform.

The work that will be undertaken at each outlet will be determined during the survey at each outlet and will include as necessary the:

- installation of electrical wiring back to the outlets power distribution box

- installation of local area network cables and connections

- installation of wide area network cables and connections

- any carpentry required at counter positions required to position and connect the OPS equipment.

**Pathway Comment**

None

**Reference No 492****Pathway Response**

Pathway confirms that it will conform to all legislation while carrying out modification work to outlets.

Pathway Comment  
None

Reference No 493

Pathway Response

Subject to the limitations defined in Annex 5 of Schedule A12, Pathway will provide these POCL Services in accordance with Operational Business Change.

Pathway Comment  
None.

Reference No 494

Pathway Response

Subject to the limitations defined in Annex 5 of Schedule A12, Pathway will provide these POCL Services in accordance with Operational Business Change.

Pathway Comment

It should be recognised that the price of the service charge will depend upon the response time required as well as the number of change requests.

Reference No 495

Pathway Response

Pathway confirm that the equipment will be provided in accordance with the limits set out in Annex 5 to Schedule A12. Deployment of such equipment will be as defined by POCL.

Pathway Comment

Reference No 496

Pathway Response



Pathway believes that it is supplying an OPS POCL Service to POCL and not just equipment. Pathway will supply the equipment at all post offices and other outlets designated by POCL as a part of an OPS POCL Service.

Pathway has proposed to supply equipment for training services in the response to catalogue requirement 463.

**Pathway Comment**

None.

**Reference No 497**

**Pathway Response**

Pathway confirms that it will install the office platform equipment in post office outlets.

**Pathway Comment**

None

**Reference No 498**

**Pathway Response**

Pathway confirms that the existing systems APT, ECCO+, ALPS and the agreed manual processes will be migrated from current POCL platforms. Pathway will work closely with POCL personnel to plan how best to achieve effective migration. The plans will aim to minimise the work required by post office staff and any necessary discontinuity of the service to customers or clients. In office data migration shall be carried out in accordance with the Migration Specification.

**Pathway Comment**

None

**Reference No 499**

**Pathway Response**

Pathway confirms that installation will not take place until the POCL Service Infrastructure and associated support services are in place.

**Pathway Comment**

None

**Reference No 500**

**Pathway Response**

Pathway proposes to obtain the agreement of the local postmaster at each outlet and also the Landlord of the premises at each outlet. If agreement is unreasonably withheld then the matter will be referred to the Horizon Implementation Manager for resolution.

**Pathway Comment**

1. It has been assumed that the modifications referred to here are to the post office outlets.

**Reference No 501**

**Pathway Response**

Pathway will ensure that there is a process in place to ensure that all outlets and regional liaison points are aware of and agree the times and dates of all visits to post offices and other outlets. Any disagreements will be referred to the Horizon Implementation Manager for resolution.

**Pathway Comment**

None.

**Reference No 502**

**Pathway Response**

Pathway confirms that it will be careful to minimise any impact upon the post office and retail operations at outlets while carrying out site survey activities. However because the work is required to be undertaken within normal working hours and because many offices are small and congested it would be unprofessional for a Contractor to offer absolutely no degradation of service during a survey. A low level of service degradation must be anticipated on some occasions and expectations set accordingly. Pathway is confident that it can obtain the co-operation of local post masters through its awareness campaign without setting misleading expectations.

In accordance with the Installation Service Level Agreement, (Req 945) Pathway agree to achieve an 85% User Satisfaction level based on an agreed approach and format, to include public reaction where appropriate.

**Pathway Comment**

None.

**Reference No 503****Pathway Response**

Pathway confirms that it will be careful to minimise any impact upon the post office and retail operations at outlets while carrying out site modification activities. However because the work is required to be undertaken within normal working hours, and because many offices are small and congested it would be unprofessional for a Contractor guarantee no degradation of service during a survey, particularly in a single counter position office. A low level of service degradation must be anticipated on some occasions and expectations should be set accordingly. Pathway is confident that it can obtain the co-operation of local post masters through its awareness campaign without setting misleading expectations.

In accordance with the Installation Service Level Agreement, (Req 945) Pathway agree to achieve an 85% User Satisfaction level based on an agreed approach and format, to include public reaction where appropriate.

**Pathway Comment**

None

**Reference No 504****Pathway Response**

All existing equipment which matches the specification of the proposed OPS equipment, or which can economically be made to match the specification of the proposed OPS equipment will be utilised by Pathway.

**Pathway Comment**

None

Reference No 507

Pathway Response

Pathway will meet this requirement in accordance with the CCD entitled "Implementation Strategy".

Pathway Comment

None.

Reference No 508

Pathway Response

Pathway notes POCL's intentions with respect to the suspension of rollout.

Pathway Comment

None

Reference No 509

Pathway Response

Pathway will meet this requirement in accordance with the CCD entitled "Horizon Counter Infrastructure Roll Out Survey Requirements Specification (IM/REQ/005)". It is anticipated that the Horizon Implementation Manager would be the decision maker in exceptional cases where agreement could not be obtained from the local outlet manager.

Pathway Comment

None

Reference No 510

Pathway Response

None.

Pathway Comment

None

Reference No 511

**Pathway Response**

Pathway confirms that it will be careful to minimise any impact upon the post office and retail operations at outlets while carrying out OPS equipment installation activities. However because the work is required to be undertaken within normal working hours and because many offices are small and congested it would be unprofessional for a Contractor to offer absolutely no degradation of service during installation. A low level of service degradation must be anticipated on some occasions and expectations should be set accordingly. Pathway is confident that it can obtain the co-operation of local post masters through its awareness campaign without setting misleading expectations.

In accordance with the Installation Service Level Agreement, (Req 945) Pathway agree to achieve an 85% User Satisfaction level based on an agreed approach and format, to include public reaction where appropriate.

**Pathway Comment**

None.

**Reference No 512****Pathway Response**

Pathway confirms that rollout will be undertaken as quickly as possible subject to the over-riding requirement to:

- (i) maintain service and client continuity
- (ii) maintain the quality of service delivery to clients and customers
- (iii) appropriate support systems including training - being in place
- (iv) avoidance of damage to POCL's brand, reputation and integrity
- (v) demonstrate the robustness of the approach to rollout in the context of uncertainty and risks
- (vi) treat POCL's staff and agents professionally and with respect.

**Pathway Comment**

None.

**Reference No 513**



**Pathway Response**

Pathway would ordinarily expect to agree any future upgrades of the OPS equipment with POCL. However, it should be recognised that the Contractor is required to deliver service outputs against demanding service descriptions, service levels and liquidated damages. It is possible that at some future time that the substitution of equipment is required either to meet the contracted requirements or to achieve cost reductions. It is not consistent with the proposed form of contract that POCL should retain a right of veto over the substitution of equipment by the Contractor and Pathway requests that such agreement shall not unreasonably be withheld.

**Pathway Comment**

Pathway's response is consistent with the assumption that POCL require a complete managed service contract which is under written by remedies. If this remains the POCL objective then it is critical that the Contractor be empowered to manage the contract so as to deliver the contracted service outputs. If on the other hand POCL require to participate in the day to day operational management of the POCL Services then other contractual arrangements should be considered and discussed between Pathway and POCL.

**Reference No 514****Pathway Response**

Pathway proposes that acceptance criteria for the OPS equipment at post offices shall be defined and agreed. Pathway will install the equipment in line with the agreed plan, schedule and acceptance criteria. If subsequently POCL requires to modify these, then such modifications shall be agreed under the Change Control Procedure.

**Pathway Comment**

None.

**Reference No 516****Pathway Response**

Pathway proposes that it shall produce a rollout plan and schedule for implementation at post office outlets which will be agreed by POCL. If subsequently, POCL wishes to change this plan, then agreement will not unreasonably be withheld by Pathway. If such changes incur additional costs or delay the



achievement of revenue then Pathway proposes to make a charge to POCL to compensate for the loss.

**Pathway Comment**

Nil

**Reference No 517****Pathway Response**

The modifications will be completed in one visit to the Outlet. BT ISDN lines installation may be carried out separately and with prior notification to the Horizon Implementation Manager and / or Outlet Manager (approval not required for ISDN installation provided that it is carried out during the normal working hours of the relevant office).

It is recognised that modification work in larger offices, i.e. those with more than six (6) counter positions may need to span one day. In these, or other exceptional circumstances, arrangements to complete such work over more than one day will be subject to mutual agreement between the Contractor, Horizon Implementation Managers and / or Outlet Managers, but such agreement shall not be unreasonably withheld.

**Pathway Comment**

None

**Reference No 518****Pathway Response**

Pathway confirms that post office modifications surveys will be completed in one visit to the outlet.

**Pathway Comment**

None

**Reference No 519****Pathway Response**

During Operational Services, Pathway understands that changes will be required by POCL to the configuration of post offices. Changes will include the provision and installation of

## CODIFIED AGREEMENT

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equipment both to completely new outlets and to existing outlets at counter positions that were previously unequipped.

Pathway will undertake these changes in accordance with Operational Business Change.

**Pathway Comment**

None.

**Reference No 520****Pathway Response**

Pathway confirms that all agreed support services will be available from day 1 in line with agreed service levels.

**Pathway Comment**

None

**Reference No 521****Pathway Response**

1. Pathway intends that the Horizon System Helpdesk will be provided with a single telephone number.

2. The telephone number will provide multiple line access to its help desk in accordance with observed and predicted demand for service.

3. The Horizon System Helpdesk will be served by dedicated Automatic Call Direction (ACD) equipment which will ensure that calls are directed to an available help desk operator and answered in accordance within agreed service performance times.

**Pathway Comment**

Pathway recommends the lower cost option of providing one telephone number for the help desk, served by ACD equipment controlling multiple lines.

**Reference No 522****Pathway Response**

Pathway will employ an '0345' local call for telephone access to the Horizon System Helpdesk.

**Pathway Comment**

None.

**Reference No 523****Pathway Response**

1 Pathway's support services will provide all appropriate support necessary to ensure the continuous and efficient operation of the POCL Infrastructure Service at all times from day 1.

2 Pathway will ensure that its services are capable of providing agreed levels of support to all users that may contractually have access to its systems.

3 The support services will cover all aspects of Pathway's solution from end to end, including the operational interfaces from Pathway's systems to those of POCL and their clients.

4 Pathway will provide agreed levels of support to all other help desk operators contractually nominated by POCL that may require assistance to resolve problems associated with Pathway's operational services.

**Pathway Comment**

1 POCL to confirm the identity and contractual requirements for the operation of systems interfaces between Pathway and POCL and their clients.

2 POCL to confirm the identity and contractual requirements for the Horizon System Helpdesk to provide service support to other help desk facilities.

**Reference No 524****Pathway Response**

1. The Horizon System Helpdesk service will deal with all calls relating to the operation, configuration and end-user support of counter terminal equipment, their operating systems software, application software and processes.

2. Requests for support will be categorised according to type such as hardware, software, network, advice & guidance, configuration, etc.

3. The Horizon System Helpdesk service will provide problem and fault diagnosis and will control any necessary hardware or software maintenance activities.

4. Each call will be logged and progressed to its successful resolution within agreed service levels.

#### Pathway Comment

1. A complete list of 'call types' will be agreed with POCL so that accurate and meaningful descriptions of all calls may be made.

2. Requests for support services and their resolution will be analysed regularly so that service problems may be quickly identified and actions taken to eliminate them. The analysis will also readily identify the need for any end-user skills or awareness training.

#### Reference No 525

#### Pathway Response

1. From day 1, throughout the roll-out period and beyond, the Horizon System Helpdesk service will provide access to additional agreed services as necessary.

2. These services will include access to training facilities, training materials and operational support documentation.

3. If POCL contracts to procure consumables from Pathway, then Pathway will provide supplies of consumables such as special stationery and post office printer supplies which may be ordered through the Horizon System Helpdesk.

4. If POCL contracts to procure consumables from Pathway, then small, emergency supplies of consumables will be provided by ICL Pathway optionally at extra cost. These may be ordered through the Horizon System Helpdesk for delivery by courier within 24 hours.

#### Pathway Comment

1. Pathway proposes that post masters should be responsible for maintaining an adequate stock of consumable materials.

2. Pathway will analyse post office transactions in order to develop algorithms, for use by post masters, which can help them to predict future usage of consumable stock.

## Reference No 526

## Pathway Response

1. Pathway will ensure that all reported incidents are resolved within agreed service performance levels and in conformance with agreed operational procedures.

2. A comprehensive analysis of all incidents, their cause and resolution and the service levels achieved will be produced at agreed intervals for review jointly by POCL's and Pathway's service managers.

## Pathway Comment

None

## Reference No 527

## Pathway Response

1. Pathway will provide a help desk service that encompasses all of the support requirements of POCL.

2. The Horizon System Helpdesk will be staffed by fully trained, qualified and experienced personnel operating according to agreed procedures and within agreed service performance levels.

3. All of the Horizon System Helpdesk services will be provided for the exclusive use of POCL.

## Pathway Comment

None

## Reference No 528

## Pathway Response

In the circumstances that a caller makes an inappropriate call to the Horizon System Helpdesk the call will be answered in accordance with the Service Levels set out in Schedule G10 and the caller will be informed and re-directed to the correct destination.

## Pathway Comment



None

**Reference No 529**

**Pathway Response**

The Horizon System Helpdesk service will comply with agreed standards of procedure and behaviour.

**Pathway Comment**

POCL are requested to document their contractual requirements for help service behavioural standards.

**Reference No 530**

**Pathway Response**

Pathway has proposed to implement EPOS as previously requested by the Authorities. However if POCL need to defer the use of EPOS then Pathway will implement the OPS software so that this can be achieved.

POCL will have the ability to suppress EPOSS functionality such that it cannot inadvertently be used/misused to the detriment of customer service and POCL accounting needs. POCL can determine the products and functionality accessible to the counter clerk by POCL Reference Data and by menu hierarchy changes.

**Pathway Comment**

It is not possible to underwrite the operational implications of this approach without discussion and clarification. For example, stock accounting and cash accounting are understood to be of operational importance to the post office and are dependant upon the EPOS to collect data from the individual transactions. In deferring the EPOS do the Authorities intend to defer the availability of these operational features? Discussions with POCL are needed to understand the business requirement more clearly and to clarify the solution.

**Reference No 531**

**Pathway Response**

ICL Pathway's solution for training is defined in the Training and User Awareness Baseline Document, reference BP/TRN/001.



Users who fail a competency test during Live Trial and national Rollout will attend a remedial training event. This is defined in ICL Pathway's Remedial Training document reference SU/TRN/006. This applies to Outlets up to site acceptance i.e. up to 2 days from installation. Remedial training after installation and Outlet go live will be the responsibility of POCL.

All POCL target audiences, job roles and user groups have been identified by POCL and have been defined in ICL Pathway's Training Needs Analysis document reference SU/TRN/0001.

Pathway Comment  
None

Reference No 532

Pathway Response

ICL Pathway has proposed to train POCL's own trainers in the use of the OPS service for new and existing staff and for minor new Releases. ICL Pathway will undertake additional training for major new Releases which will be subject to the Change Control Procedure.

Pathway Comment  
None

Reference No 533

Pathway Response

Pathway confirms that the solution for training includes the capability to train users on the live system using a training mode of operation, which can be invoked at any time, and is a permanent feature of the system. Training mode operation is protected by user names and passwords which are separate from those of live operation. While using the training mode both the users and system are prevented from interfering with live data transfer and data integrity.

Pathway Comment  
None

Reference No 534

**Pathway Response**

Pathway confirms that its solution for training takes account of automated products and experience of existing system platforms. The Training Needs Analysis document, ref SU/TRN/0001, takes account of the different kinds of user and their different propensities to learn new skills. The proposal includes ongoing training requirements for POCL to fulfil using their own trainers, and support for individuals who change their roles up to two weeks before attending an ICL Pathway training course. This is detailed in the Training and User Awareness Baseline Document, ref BP/TRN/001.

**Pathway Comment**

None

**Reference No 536****Pathway Response**

1. Pathway confirms that peripheral input devices supplied as part of the OPS will be reliable, robust and easy to use.

2. Pathway confirms that peripheral and input devices supplied as part of the OPS will be capable of detecting contention, premature removal and swapping of tokens as appropriate.

**Pathway Comment**

None

**Reference No 537****Pathway Response**

The Pathway strategy for System Management will comprises a set of services as follows:

Software repository - the storage and maintenance of records identifying what software versions are stored on what machines.

Software distribution - the scheduling of software upgrades to a defined set of machines.

Event management - the notification of significant events to a central source.

Asset management - the storage and maintenance of information on the existence / type of machines and associated peripherals.

Configuration management - the non-static configuration parameters that drive the applications and operating system. This includes Resource Monitoring and Network Management

In the delivery of these System Management activities as applied to services provided to POCL, the operational procedures developed and the technology applied will be exploited to achieve the required quality attributes including consistency, accuracy, reliability, speed and agility in responding to failures.

For example some of these services provide dynamic information on the state of operating entities - such as applications and operating systems. Event management is such a service. Coherence and consistency within a homogenous set of applications and operating system is achieved through standard naming conventions for the identification of applications and standard methods of invoking the event are obeyed. This will allow for example selected events to automatically raise help calls pro-actively thus initiating a corrective action response.

Furthermore a consistent approach to event management populates the Help knowledge database with reliable information such that further similar incidents can be recognised and resolved. By contrast other services manipulate by comparison various static data such as the existence of machines and software packages stored on these machine against the current configuration parameters associated with these packages. Again a common naming standard for this persistent data will be adopted to achieve consistency and coherency.

As such we have opportunities to engineer coherence and consistency at a meta level above, for example, specific types of operating systems. The delivery of this information will be in databases at the central systems. These will contain a consolidated central view of the overall system and from this logical view we can derive ( and automatically deliver) the parameters required to drive the applications and sub-systems that work together to deliver the required functionality.

Pathway can thus ensure that if a common configuration is required for all instances of an application then that configuration is uniquely defined in the central database or where the configuration of different applications share common

information that common information is again derived from a common source.

**Pathway Comment**

None

**Reference No 538****Pathway Response**

1. The overall Pathway solution comprises a set of central host systems together with a number of TMS servers. These servers will be installed in two data centres, each having the capability to provide all the services. The post office network comprises a PC configuration at every counter position.

When the central systems are installed rigorous operational procedures will ensure that all system data, including date and time, are consistent. The systems management service will have the facility to interrogate all servers to check for a consistent date/time. This will typically be done whenever there is a need to replace equipment, whenever a general clock change occurs, and as part of regular system housekeeping.

The counter PC's will have their date/time set prior to installation in a post office, or prior to any replacement. Upon installation a link will be established to the central TMS and System Management Service to download configuration details and other data.

Facilities within TMS will automatically synchronise the time between TMS servers and also with the counter PC's.

2. Time changes due to British Summer Time

The TMS and OPS systems will be based on Windows-NT. This operating system has automatic algorithms for handling clock changes due to BST. No user action is required.

3. Local Time and GMT

Pathway understand that the requirement for using local time may arise with certain AP transactions. In this case any adjustments for particular AP transactions would be handled within the AP application. Pathway will require a description of which transactions are affected and the nature of the adjustment.



**Pathway Comment**

None

**Reference No 539****Pathway Response****1. Maintenance of reference data**

Pathway will support and maintain both system and application related reference data for an outlet. System related data comprises information that relates to the state of the outlet and its associated software base (e.g. event management details, software version numbers).

Application related data comprises information that relates to particular transactions

(e.g. price of a stamp, check digit algorithm for an AP client).

**1.1 Maintenance of System related reference data**

The Pathway Systems Management Service will use Tivoli TME to provide the functions required to store and maintain reference data and to manage its distribution and activation. This will comprise a single Asset and Configuration database which provides a central logical view of which systems are associated with which versions of various files, including reference data. Pathway will use rigorous change management processes to control the rate and nature of changes to the software inventory and these will involve a co-ordinated approach with the originator of any external data including POCL and external clients.

The Tivoli supports a central repository, which will contain various objects including reference data, together with a supporting distribution infrastructure.

The distribution infrastructure comprises the components that move those files that constitute a single software package and also the instructions that prescribe how the package is to be installed.

The software package is stored on a number of TME Management servers at each Pathway central site. A Tivoli Software Distribution job will invoke the distribution of data, such as new reference data to those sites that require it, and Tivoli Client Software residing on the client system will interpret

the instructions from the Management server and install the software as required.

### 1.2 Maintenance of Application related reference data

Reference data supplied to Pathway by POCL and/or POCL clients will be stored and maintained in Pathway's Central Reference Data Base system. Agreement will be required on the process and form by which reference data is supplied to Pathway and the supporting control and validation processes.

In addition each item of reference data will need to be associated with a class of post offices, which will have previously been defined, in order to support the distribution process.

This information will then be processed, as determined by the effective date of the new or changed reference data, and introduced to TMS. TMS will then distribute the data where it will be activated and held within the outlet as a permanent object.

### 2. Use of external reference data

Pathway recognise that some reference data will be provided from external systems (e.g. TIP and client systems). Pathway will agree the precise form and process by which this information is made available to Pathway's software distribution services with the relevant owner. Operational and technical procedures will be agreed which will ensure the integrity of data transfer, data verification and activation procedures.

### 3. Implementation timescales

Pathway recognise that some reference data items may be subject to a fast implementation (e.g. as required by a Budget change). Pathway do not anticipate any significant difficulties with distributing and activating these changes, as the normal process would achieve this overnight. Agreement will be needed on the method of providing such changes to Pathway.

#### Pathway Comment

An indication of the different forms of reference data and their owners would assist in the development of the operational procedures.



## Reference No 540

## Pathway Response

## 1. Environmental Considerations

An important factor in Pathway's selection of equipment suppliers for OPS has been their approach to environmental considerations particularly in the materials policy, production processes and recycling.

Key considerations are that the products should not contain materials that endanger the user when used in the post office environment, and that the manufacturing process avoids the use of toxic emissions and has the capability to recycle as much of the product materials as possible.

One of the key components in the OPS is the PC and Pathway have selected ICL as the supplier. ICL is committed to protecting every part of the environment by compliance with existing environmental legislation and anticipating future moves such as the TCO 6E scheme. Some examples include :-

ICL stopped using PVC many years ago in favour of ABS for the plastic casings. This avoids the problem of hydrochloric acid formation when the PVC plastic is burnt. Other components such as the keyboard also use ABS for the plastic casing and all components are selected for their ability to be recycled.

Brominated flame retardants have not been used since 1989.

Only capacitors that do not contain PCB and batteries that are cadmium-free are used.

The majority of the components of the PC can be recycled and used for making other goods. All plastic parts are labelled with the type material they are composed of.

Where ICL has responsibility for equipment disposal, the following process is followed. All parts suitable for spare parts are removed and reprocessed. The scrap is roughly sorted into metals, precious metals, glass and plastics. Batteries and some other items are sent for special treatment. All metals are processed by specialist firms. ABS plastics are stored at present awaiting the development of suitable re-cycling process. All cathode ray tubes go to an aluminium factory for crushing and, after washing, the crushed glass is dumped.

The production process for the electronic circuit boards requires that the PCB's are washed to remove metal chips and chemical residues. This process does not use either CFC compounds or Freon based detergents due to the environmental harm these chemicals can cause. All PCBs are washed in mild

detergent prior to component soldering. The precious metals are separated from the soldering machine tin ash for reuse.

The equipment is packed in cardboard boxes with styrox packaging which can be burnt without harmful effects. A self closing box eliminates the need for glue, tape or staples.

## 2. Duty of care

Pathway will comply with all relevant environmental legislation and will generally exercise a responsibility for "Duty of Care".

### Pathway Comment

None

## Reference No 541

### Pathway Response

#### 1. TMS scalability

Pathway have submitted a paper to POCL which addresses Risk 9 - the scalability of the central TMS facilities. Ref: Risk : PWY000009 - Part 3, version 2 dated 158/12/95.

The analysis in this paper shows that there are no constraints on the scaling of the central TMS service or of the underlying network infrastructure to meet the workload volumes projected. The modular nature of TMS and the network enables additional system resources to added to accommodate any workload growth.

Monitoring of traffic patterns and actual system resource usage will be undertaken during operational trials and early system usage. This will be used to ensure the optimum deployment of the TMS components.

#### 2. Future transaction requirements

Pathway recognise and support POCL's strategy to introduce new business transactions and understand that these may require access to central host systems for authorisation or data access/update. An example of this type of transaction is in operation now in An Post (an on-line Savings system) and Pathway would implement such links using a TMS agent to provide the specific Client data exchanges.

### Pathway Comment

None

## Reference No 542

**Pathway Response**

Pathway will provide support for all software running on Pathway computer systems whilst they are supporting services provided to POCL.

These support services will be managed by Pathway and will be sub-contracted to a variety of Pathway service providers.

Support to Pathway for core operating systems (e.g. Windows-NT) will be provided by ICL Sorbus and other specialists within the ICL group. Recourse to Microsoft where required will use current well established support routes.

Support for middleware (e.g. TMS and TMS Agents) will be provided by Pathway's own support and development resources.

Support for applications software will be provided to Pathway by the software development sub-contractor. This will include Oracle and Pathway's own support and development resources.

**Pathway Comment**

None.

## Reference No 543

**Pathway Response**

Pathway confirms that the APS will support the following range of tokens:

1. Landis & Gyr PISCES smart Card
2. GEC Meters WATERCARD smart card
3. Schlumberger Smart Card for the water industry
4. Schlumberger Smart Card for the electrical industry
5. Magnetic stripe card
6. British Gas Quantum smart card
7. Bar coded documents.

It is pointed out that some of the tokens listed above operate to proprietary standards and specifications also the device driver software is not currently available to Contractors.

Support for these tokens is dependant upon receiving the specifications and the availability and licensing of the necessary device driver software.

**Pathway Comment**

None.

**Reference No 544****Pathway Response**

1. The Pathway APS will provide support for all the current transactions required by POCL's AP Clients within the counter application and in the TMS Agent for AP data extraction.

2. The Pathway APS can support the addition, modification or removal of Clients or Client Service Types. A generic In-Pay data capture screen is provided which supports the capture of the specific Client transaction details. Transactions that support new Client Service Types (i.e. a new OCR bill type, a new barcoded bill type) can be quickly introduced through a simple parameterised process which will define details such as format, validation etc.

Entirely new AP Client transactions (new token type or additional data items to be processed) may require the development of additional data capture screens.

3. Pathway will provide reasonable assistance to POCL in the implementation of interfaces to additional third party applications or tokens.

4. Pathway will provide reasonable technical assistance in support of POCL's relationship with Clients and potential Clients.

5. The Pathway APS provides a generic method of defining peripheral types and transaction types. The counter application is developed using Microsoft Visual Basic. These techniques enable additional Client Service Types to be added in a cost effective and efficient manner.

**Pathway Comment**

None



## Reference No 545

**Pathway Response**

1. Pathway confirms that it will provide technical and overview documentation describing the APS. The documentation will be of sufficient detail so as to allow POCL to market the POCL Service to Clients and potential Clients and to consider the suitability of additional services.

Pathway together with POCL will agree the content of the documentation prior to its production and also prior to introducing any subsequent changes. Pathway will require the active participation of POCL to support the production of the documentation.

2. Pathway confirms that it will produce an Automated Payments Client specification which specifies the details of each AP Client and Client Service type of the APS, including the Client interface specification, the presentation of information on the OPS, the data involved and any necessary timings.

**Client identity and overview**

Identifies the client for whom a specific instance of the APS is to be provided and provides an overview of the business objectives.

The respective responsibilities of Pathway, POCL and the Client organisation.

**Tokens and Methods of payment**

A description of the token(s) that the client requires its customers to use and the method(s) of payment that are acceptable to the client.

**Technical Specification**

Identification of the service and system boundary between the Pathway service and system and the other services and systems.

Specification of telecommunications links and associated protocols.

**Transaction data**

Contents

Validation

Customisation

Batching

Transfer

Other Data

Contents

Validation

Availability

Operations

Operational hours  
Operational procedures  
Fault diagnosis procedures  
Operational review procedures  
Service Levels

Pathway will require the active participation of POCL and the Client organisations to support the production of the documentation.

**Pathway Comment**  
None.

**Reference No 546**

**Pathway Response**

1. Pathway confirms that it will deliver the APS using the POCL Strategic Infrastructure, that is the OPS and the TMS.
2. Pathway confirms that the APS shall be available at all counter positions where the OPS is installed to meet or exceed the requirement as specified by POCL in the ITT. Subsequent changes to the initial requirement will require commercial negotiation and change control. Pathway's intention will be to install equipment at the outset which will have as long a useful life as possible to minimise obsolescence costs and disruption in post offices.
3. Pathway shall ensure that the availability of each Client Service Type at each Outlet is individually controllable via Reference Data records.

**Pathway Comment**

1. In order to Price the APS service transactions within the Tender, the Contractor will need to assess future transaction types and the respective volumes also the number of counter positions.
2. Pathway may propose limits on the volume of individual APS components to reflect the defined or assumed business need.

**Reference No 547**

**Pathway Response**



1. Pathway confirms that data will be captured correctly, accurately and securely.
2. Pathway confirms that the APS will validate data read from Tokens or entered by the User in accordance with a set of rules identified in the AP Client Specification document.
3. Pathway confirms that the APS will check data read from Tokens or entered by the user against any valid Client Data or reference data for the Client Service Type (e.g. stop lists) and take the action prescribed in the AP Client Specification or Token Technology Specification.
4. Pathway confirms the APS shall enable the display of user instructions specific to a Client Service Type as identified in the AP Client Specification.

**Pathway Comment**

1. The POCL meaning of the word "robustly" in the context of data capture is not understood and therefore it has not been committed.

**Reference No 548****Pathway Response**

1. Transaction committal

AP transactions using smart tokens will be committed to the local journal as soon as they have been completed. Other AP transactions will be committed at the end of the customer session which may include other non-AP transactions.

A non-smart AP transaction once completed may not be voided within the session in which it took place even though it is not committed to the journal until the end of the session. This is because a receipt will have been printed at the time of the transaction. Should it be necessary to reverse the transaction then this may be achieved using ordinary reversal facilities in a subsequent session.

This process will occur when :-

- (i) monies have been accepted
- (ii) a transaction has been reversed. It should be noted that the original transaction is never altered and that any subsequent and related transactions are added to the journal.
- (iii) a Token has been issued

(iv) a Smart Token has been accessed ( including an abandoned or enquiry transaction).

Pathway Comment  
None

Reference No 549

#### Pathway Response

##### 1. Transaction Reversals

The Pathway solution for AP provides the facility to reverse eligible transactions. This process may only take place at the post office where the original transaction took place.

The behaviour described in response to requirement 804 will also apply to AP transactions.

The transaction details from the original receipt (principally the account number) will be used to identify the relevant transaction.

There will be a limited time within which a reversal can take place and this is expected to be contained within one business day for the post office.

The process will operate to the rules described in :-

POCL APS Generic Rules  
Token Technology Specifications  
AP Client Specification

All transactions are progressively replicated to TMS for processing by the TMS AP Agent. The end-of-day marker from a post office is used as the trigger for accumulating Client specific transactions and forwarding them according to the rules in the above, last-listed document. The net results of any transaction reversals will be determined and the relevant details passed to POCL/POCL Client.

##### 2. Audit capabilities

All transactions that occur at every post office are recorded in the User local journal which is replicated within the post office and to the central TMS. A journal entry, once written is never altered. Details can be retrieved from the journal by

suitably authorised personnel to provide a full audit trail of all activities including transaction reversals.

**Pathway Comment**

1. The provision of specifications for each class of Token (Bar-code, Magnetic Card, Smart Card, Smart Key) is a POCL responsibility. Pathway will agree these specifications, such agreement not to be unreasonably withheld.

**Reference No 550****Pathway Response**

1. The Pathway AP system will write data to APS Tokens in accordance with the rules identified in the appropriate Token Technology Specification, AP Client Specification and POCL APS Generic Rules.

**Pathway Comment**

Pathway understand that the software required to support access to the PISCES and WATERCARD smart cards and the SCHLUMBERGER Smart Key will not be provided to the Contractor until after contract award. The earliest availability of the specifications of this software would ensure the precise requirements of POCL and their Clients are met in a timely manner.

**Reference No 551****Pathway Response**

1. A receipt will be produced for each committed transaction.
2. The receipt will contain information as specified in the appropriate AP Client Specification and Token technology Specification.
3. The reversal receipt will be identified as such and will contain the account number of the original transaction together with details of the date and time when the original transaction took place.
4. The AP counter application displays details of the transaction on the counter terminal. These include transaction type, method of payment, value and account number. In the event of counter printer failure these can be transcribed onto a manual receipt. Where the transaction is supported by a

magnetic card, these details would be transcribed using a card imprinter.

5. Welsh/English receipts will be produced in all relevant outlets.

6. The Pathway solution for OPS will retain all transaction information in the local post office for up to two Cash Account periods. This will enable information retrieval to take place by suitable authorised personnel.

#### Pathway Comment

1. The precise types of information retrieval in the post office will need to be discussed and agreed with POCL in order that the appropriate facilities can be provided.

2. The provision of specifications for each class of Token (Bar-code, Magnetic Card, Smart Card, Smart Key) is a POCL responsibility. Pathway will agree these specifications, such agreement not to be unreasonably withheld.

#### Reference No 552

#### Pathway Response

1. Pathway confirms that the APS shall maintain and deliver committed transactions to POCL and Clients in accordance with appropriate AP Client Specification.

2. The provision of specifications for each class of Token (Bar-code, Magnetic Card, Smart Card, Smart Key) is a POCL responsibility. Pathway will agree these specifications, such agreement not to be unreasonably withheld.

#### Pathway Comment

None

#### Reference No 553

#### Pathway Response

1. Pathway confirms that Data Files from POCL and Clients will be either collected or received and validated in accordance with the relevant AP Client Specification.

2. Pathway confirms that Data Files from POCL and Clients will be available to all groups of outlets or specific outlets in accordance with the appropriate AP Client Specification.

**Pathway Comment**

The provision of specifications for each class of Token (Barcode, Magnetic Card, Smart Card, Smart Key) is a POCL responsibility. Pathway will agree these specifications, such agreement not to be unreasonably withheld.

**Reference No 554****Pathway Response****1. APS fallback strategy**

The Pathway solution for the Automated Payments Service comprises a counter application and supporting peripherals which operate within the overall OPS counter applications environment. Each post office counter is equipped with a PC configuration and each configuration runs its own copy of the AP application and has its own set of supporting peripherals.

The failure conditions that will affect the ability of a post office to provide the AP service are limited to the failure of a PC at a single counter post office, and the failure of the Smart Card / Smart Key reader at a counter.

The distributed nature of the Pathway solution means that a single counter failure in a multiple counter post office will not affect their ability to provide an AP service from the remaining counters. the provision of the AP service is not affected by a failures that may occur in either central systems or the network.

**1.1 Single Counter PC failure**

A single counter PC failure will result in the post office providing a manual AP service for transactions supported by magnetic card or by a paper bill. Magnetic card supported transactions will be recorded by a card imprinter (zip-zap) onto a two-part AP voucher. Paper supported transactions will be recorded by retaining the paper bill. The post office copy of this voucher will be used by the post master to enter the transaction using a suitable data entry facility when the post office counter is restored to service.

**1.2 Smart Card/Smart Key failure**



No Smart Card/Key transactions can take place until the failed unit is replaced.

### 1.3 Failure probability and impact

#### Failure Incidence Impact

Total loss of PC at single counter post office. The failure rate of the PC is 4 hours outage every 1200 days, assuming the PC is not turned off. This equates to one failure per counter every four years. Manual AP vouchers will have to be produced using the zip-zap system or manual transcription. Data from the post office copy of these vouchers will be used to enter the transaction details locally.

Loss of Smart Card reader at a counter. The failure rate of the Smart Card reader is one fail every 300,000 reads or 4 hours outage every 1800 days. This equates to one fail per counter every six years. See note below.(assuming 50k reads per counter per year - Scenario 3 year 2000/01 - Workload Brief version 1.2) No Smart-Card transactions can take place while the reader is awaiting replacement.

Note: The scenario described is that of a combined Magnetic card/Smart card reader, such that any fail will require a whole unit replacement.

Applying these failure rates to the workload volumes provided in the Workload Brief gives the following.

#### PC failure Smart Card failure

Year 1996/97 Scenario 1: 76 manual vouchers produced per day; 0.0022 % of total / day; 59 transactions not possible; 0.0009 % of total / day.

Year 2000/01 Scenario 5 (BA) and Scenario 4 (POCL): 367 manual vouchers produced per day; 0.0075 % of total / day; 422 transactions not possible; 0.0019 % of total / day.

### 2. Recovery to a known state

The Pathway AP counter application does not complete a transaction until the data is known to have been committed to the local journal. The User is always fully aware of whether a transaction is complete or not. All transactions, once committed to the Users local journal are replicated to all other PC's in the post office and to the central TMS server. When a failed unit is replaced it will automatically synchronise with other nodes in its workgroup and restore all previous transactions.



### 3. Data Corruption

All transaction details are recorded in the users local journal and are appended with a CRC. This is checked every time the record is accessed and in the event that the record has become corrupt it will be discarded and retrieved from another node within the post office or from the TMS servers.

### 4. Lost transaction data

It is not possible for transaction data to be lost within the Pathway solution for OPS or any of the applications it supports. Transactions once committed to a users local journal are automatically replicated to other nodes in the post office and the central TMS system. Any nodes which have to be replaced are automatically re-synchronised from other nodes within the post office or the central TMS service.

### 5. Re-Input of transaction data

The Pathway solution for AP will only require manual transactions to be created should a single counter configuration fail. Manually recorded AP transactions will be input to the AP system once the OPS is re-established.

Magnetic Card supported transactions may be input using details from the receipt. They would be recorded as a keyed entry.

Smart Card/Key transactions cannot take place when a single counter PC has failed.

### 6. Data Recovery

Data recovery, or synchronisation, takes place automatically following the replacement of a counter PC. There will be no loss of service on any of the other configurations in the post office while this takes place.

### 7. Receipts for recovered transactions

The AP system need not produce a receipt for any recovered transactions.

### 8. Validation Rules for recovered transactions

The AP system will conform to the POCL APS generic rules.

### Pathway Comment

None

## Reference No 555

## Pathway Response

## 1. OPS initial implementation facilities

1.1 All OPS outlets will have the capability to read track 2 magnetic cards complying with ISO 7811 parts 1-4.

1.2 All OPS outlets will have the capability to read/write to Smart Cards complying with ISO 7816 parts 1 and 2, and/or ISO 7816 parts 1,2 and 3. Future support for ISO 7816 part 4 will be provided.

1.3 Support for non standard cards may be possible and will be assessed on an individual basis. Pathway would require specific examples of any Cards which POCL require to be supported in order to provide a complete impact assessment, but they are not expected to be very significant. General areas such as non standard embossing may impact the design of the manual AP voucher. Non standard data on the magnetic stripe would need to be reflected in the data validation definition of the relevant application.

1.4 Pathway will supply a hand held bar code scanner capable of reading at least 10.9 cm bar codes at 9mils resolution. The codes supported will be at least Code 128, EAN8, EAN 13, code 39.

## 2. EPOS initial implementation facilities

Pathway confirm that in all outlets where EPOS is required the Pathway EPOS solution will :-

2.1 Provide support for manually fed pre-printed forms at the counter by using an impact slip printer mechanism provided at the counter as part of the counter PC configuration. The slip printer will print Girobank summary forms G4631, G4632 and G4633.

2.2 Provide support for Cheque printing together with a range of other forms at the counter using the same slip printer mechanism.

2.3 Support the printing of existing Client reports which are currently printed at the counter including the Girobank Daily

Record forms. Support is provided for multiple font sets and 90 degree rotation printing so that the Girobank forms referred to at 2.1 above can be printed.

2.4 Support the connection of the electronic weigh scales including the Avery Berkel D104 and A702. These will be connected via RS-232 connection to one or two counter PC configurations.

2.5 Support the printing of reports to enable POCL to meet existing Client commitments. This will be carried out on an A4 cut-sheet feed printer which will be installed as part of the OPS.

2.6 Support the printing of cash accounts and plain paper summaries using the above printing facility.

2.7 Support the printing of PDF417 two dimensional barcodes as part of the back office cash account production process. This will be done using the above printing facility.

2.8 The counter printer proposed by Pathway is a dot addressable printer which can support the printing of barcodes on forms and the tally roll.

Pathway will require further discussions with POCL to discuss the particular applications or POCL Services that require barcode printing and the types of paper stock that are expected to be used.

2.9 The back office printer can support the printing of barcodes and will support code 128, EAN 8, EAN 13 and code 39.

#### Pathway Comment

Pathway would appreciate any examples of non-standard Cards which POCL wish to be supported.

#### Reference No 557

#### Pathway Response

1. Pathway confirms that the OPS will have the flexibility for additional peripheral types to be added in future including input devices and printers.

2. Pathway confirms that at least 4 additional RS-232 connected peripherals may be added to a counter configuration subject to commercial considerations.

## 3. OCR capability

Pathway has been notified that such a facility is not required.

## 4. Two-dimensional barcode capability

Pathway has been notified that such a facility is not required.

## 5. Teller Cash Dispensers

The Pathway OPS can physically support a connection to a teller cash dispenser via an RS232 port. The introduction of new peripherals will be subject to an agreed contract change control processes.

## - Pathway Comment

Peripheral connectivity

Pathway currently intend to provide an 8-port serial card on every PC. This together with two ports on the PC provides connectivity for 10 RS-232 devices. The following devices are the maximum that any one counter is currently expected to require :-

Touch Screen, MSR/SCR from keyboard, Wand, Counter printer, APPU, Scales

Total = 6.

With the minimum three spare ports required by POCL, Pathway will have one additional port available (i.e. a total of 4 spare peripheral ports on a fully configured counter configuration).

OCR and Two-dimensional barcode capability

Pathway has been notified that these options are not required.

Reference No 558

## Pathway Response

1. Pathway fully appreciates the importance of transaction times to POCL. We believe that we have demonstrated to POCL that the Pathway OPS does keep transaction times to a minimum.

2. Pathway confirms that the OPS is capable of supporting all of the defined business transactions at the current and projected volumes of business.

Pathway Comment

None.

Reference No 559

Pathway Response

1. Pathway confirms that the OPS will be provided at each of the POCL's outlets.

2. Pathway confirms that the OPS will support the automation all POCL transactions in due course.

3. Pathway confirms that the initial implementation of OPS will be capable of supporting APS, OBCS and EPOSS.

Pathway Comment

None.

Reference No 560

Pathway Response

Pathway recognises that technology will change during the period of the contract and both POCL and Pathway will wish to take advantage of this.

1. Pathway is required to deliver services outputs to POCL against the stated service requirements, against demanding performance targets and against associated performance penalties. In order to deliver the POCL Services the Contractor must exercise operational control over all aspects of service delivery (the service inputs).

This includes the selection and replacement of the equipment which is required to meet the POCL service requirement. Pathway requires the right to replace equipment at outlets or to substitute different equipment during implementation in order that the contracted requirements can continue to be met.

Pathway recognise that POCL will require assurance that any technology changes do not adversely impact the usability or functionality of the OPS. Pathway will provide advance notice



to POCL of any changes that are required to OPS and review any associated introduction or replacement plans. POCL will not unreasonably withhold their support for such changes.

2. Pathway confirms that it will periodically review with POCL the specification of the equipment being used and installed to ensure that the most appropriate technology is deployed.

Pathway welcomes these reviews as a mechanism to ensure that the OPS continues to meet Pathway's service obligations, and to consider the impact on the OPS specification of any future Service extensions required by POCL.

**Pathway Comment**

In a contract lasting many years there are numerous possible reasons why the Contractor may need to replace or substitute equipment and not all of the possible reasons can be foreseen now. However, Pathway is not obliged to refresh the technology.

**Reference No 561**

**Pathway Response**

Pathway confirms that it will indemnify POCL against any dispute of its or POCL's right to utilise the hardware, software or information used for any of the supplied POCL Services including third party challenges with reference to licensing or intellectual property rights. In the event of any dispute Pathway will use all reasonable endeavours to ensure that there is no impact on service.

**Pathway Comment**

None

**Reference No 691**

**Pathway Response**

1. EPOSS functions shall support the LFS and SAPADS, thus allowing the management of cash and Stock.

2. EPOSS shall allow an authorised User to declare Stock and cash levels and shall support the recording of Transfers into and out of the Outlet.



3. EPOSS shall support the recording of physical Stock and cash received in the Outlet.

**Pathway Comment**

None

**Reference No 692****Pathway Response**

1. In general, the outstanding customer session balance can be settled by a single MoP or a combination of two or more MoPs (e.g. part cash and part cheque).

EPOSS will be capable of enforcing a set of rules for a transaction which will determine whether that transaction must be settled and committed in its own right. For example, a DNS savings account deposit transaction can be considered to be committed when the passbook entry is made and stamped. This suggests that the settlement should be an intrinsic part of the DNS transaction.

EPOSS will be able to enforce a set rules for any transaction which will determine the MoPs allowed for that transaction.

2. EPOSS will allow the introduction of new types of MoP by implementing the MoPs in a generic manner similar to other products/transactions. As such, EPOSS will allow new MoPs to be introduced dynamically via reference data.

3. EPOSS will be capable of implementing EFTPOS, handling debit cards, as a method of payment. EPOSS will have the inherent capability to handle both debit and credit cards from the start of the EFTPOS service.

The volumes quoted, while not surprisingly high, are nevertheless high in absolute terms and will generate considerably higher daytime telecommunications costs for the contract services as a whole.

It is understood that cashback will not be required initially but might become a requirement in the future. EPOSS will ensure that cashback can be implemented as and when it is required.

Pathway recommends Girobank as the preferred supplier of the "Merchant Acquirer" services for EFTPOS. On-line authorisation

will be routed via TMS and EFTPOS transactions and summaries will also be transmitted via TMS.

EPOSS will provide daily reconciliation of its EFTPOS transactions against information from the banking/financial clients.

Pathway will consider the storage and access requirements for signed receipts and will propose a preferred approach shortly. Currently, Pathway favours the storage of signed receipts centrally by Girobank as an additional service to the Post Offices. The storage and retrieval procedures will take into account the 0.2% receipt retrievals anticipated.

The options for the implementation of EFTPOS are currently under consideration and will be presented separately on finalisation.

The general benefits of transactions involving EFTPOS are expected to include:

- increased average value of transactions and increased value of single transactions such as catalogue (e.g. Argos) sales

- increased number of transactions - due to attraction of cashback

- increase number of customers from higher socio-economic group
- earlier payment of MVLs, bills etc.

- payment of bills at counters which currently require cash at the counter or a cheque by post. E.g. Giro transcash foils with "Cheque NOT Acceptable at PO Counter"

- reduced handling costs (compared to cheques)

- reduced clearing time (compared to cheques)

#### Pathway Comment

70% (at £15 floor limit) on-line authorisation seems high and may result in annoying delays and lengthy queues. Girobank state that £15 limit is a Switch rule and that VISA and Mastercard are higher.

Girobank state that card scheme rules preclude cash withdrawal at retail counters (including post office counter) but cashback is allowed.

Pathway seeks to understand if POCL expects to be or to nominate the "Merchant Acquirer".

Reference No 693

Pathway Response

1. EPOSS will allow a VAT style customer receipt to be produced at the end of the customer session. The receipt will be optional and will be printed if requested by the operator.
2. Some transactions will automatically produce a customer receipt.
3. The format of all receipts will be agreed with POCL and set out in the CCD entitled "Horizon OPS Reports and Receipts - ICL Pathway Horizon Office Platform Service".
4. The header/footer will be printed in Welsh and English or English as required.
5. The facility will be provided for the printing of one or more copies of a receipt following the end of one customer session and before the beginning of the next customer session. The second and subsequent copies of a customer receipt will be marked as "duplicate".

**Pathway Comment**

None

**Reference No 694****Pathway Response**

1. All transactions will be recorded using a Point of Sale function. This function will provide a consistent method for invoking fixed price product sales, simple open value transactions and complex transactions. The recording of information for all transactions will be handled in a consistent manner.
2. Transaction data captured during other POCL Services will be recorded via EPOSS.
3. EPOSS will allow the manual entry of weight values where the scales are not linked. In fact, EPOSS will allow manual entry of any information that is normally captured via a peripheral to cater for the cases where the peripheral is not connected, or has failed, or is unable to read for other reasons (e.g. illegibility).
4. Where transaction data will be captured through a peripheral reading device, the invocation of the transaction will be event-driven.

## CODIFIED AGREEMENT

## SCHEDULE A16

## RESTRICTED CONTRACTS

5. EPOSS will be able to read data from any appropriate input device which is part of the OPS.

## Pathway Comment

None

## Reference No 695

## Pathway Response

1. EPOSS will provide a function for declaring actual cash and stock on hand as part of the stock unit balancing process. Cash will also be declared as part of the daily cash locked up function or an electronic ONCH form.

2. The number of stock units and their setup will be under the control of the manager of the Outlet as part of the office administration functions. EPOSS will provide facilities for creating and deleting stock units as well as setting stock unit "sharable" attribute to cater for local working practices.

3. The stock unit management facility will allow changes to stock unit options and assignments.

4. EPOSS will allow stock unit sharing where a stock unit is attached to more than one user at the same time. This will be optional so that sharable and non-sharable stock units can be used within the same Outlet.

5. EPOSS will allow each stock unit to be balanced as often as is required within a cash account week. Balancing will involve the declaration of cash and stock by denomination.

Sharing a stock unit results when it is attached to more than one user at the same time. When sharing a stock unit, a group of users will be able to divide the administrative functions amongst themselves. For example, the declaration of cash and stock on hand can be carried out by each user. Each declaration will represent that user's proportion of the total for the stock unit. The aggregated total for the stock unit will be used for subsequent balancing operations on the stock unit.

6. EPOSS will allow an office balance to be produced at the end of the week by amalgamating the stock unit balances.

The system will provide an office level snapshot, at any time, of transactions, cash and stock levels across all stock units.



## CODIFIED AGREEMENT

## SCHEDULE A16

## RESTRICTED CONTRACTS

The same facility will be available to provide an instant snapshot of the transactions and contents of any single stock unit.

7. EPOSS will produce an office cash account (conforming to the approved format) which will include information regarding manual voucher transactions, automated voucher transactions, suspense account position, and cash and stock totals. An office balance brought forward value will be derived for inclusion in the next accounting period.

8. EPOSS will control access to a stock unit by using an access level attribute. This will restrict its use to only those users with an appropriate privilege level. If it is not sharable then a stock unit can only be accessed by one user at a time. In addition, each user will be restricted to using only one stock unit at a time selected from a defined set.

## Pathway Comment

None

## Reference No 696

## Pathway Response

1. EPOSS will produce a daily report showing the cash held in the office. The format of the report will be agreed with POCL, although it will show cash held by denomination of bank note and coin.

2. EPOSS will provide daily and weekly summaries of transactions by stock unit for those transactions that require such reporting.

3. EPOSS will print on client cut sheet stationery using the counter printer or, if the physical size or layout of the stationery demands it, the A4 Outlet printer.

4. Pathway understands that the range of clients and their stationery varies considerably.

5. The format of all receipts will be agreed with POCL and bilingual Welsh/English printing of these will be provided as required.

6. The facility will be provided for printing more than one copy of a receipt following the end of one customer session and before the beginning of the next customer session. The second

and subsequent copies of a customer receipt will be marked as "duplicate".

7. EPOSS will provide daily and weekly summaries of transactions by stock unit for those transactions that require such reporting.

8. EPOSS will print on client cut sheet stationery in support of Girobank and the PDR summarisation.

9. EPOSS will produce reports using the counter printer and the A4 Outlet printer as appropriate to the physical printing requirement. The reports will conform to client specifications and will be produced at stock unit and office level as required.

10. EPOSS will allow reports and summaries to be previewed on screen as well as (or instead of) printed.

**Pathway Comment**

None

**Reference No 697**

**Pathway Response**

The clause 801 and schedule A03 applies to this requirement.

**Pathway Comment**

None.

**Reference No 698**

**Pathway Response**

Pathway shall use all reasonable endeavours to minimise and control liabilities to itself and POCL.

Pathway will set up an organised security infrastructure covering:

- security policy
- allocation of security responsibilities
- security education and training
- reporting security incidents
- physical security control
- virus control



- business continuity
- control of proprietary software
- safeguarding POCL records
- information classification
- compliance with data protection and other legislation
- information exchange control
- external contractors and suppliers
- compliance with security policy
- the management of fraud and risk within the solution during service operation

Pathway confirms that it will comply with BS7799.

For details of Pathway's approach to providing for integrity and privacy assurance in services refer to requirement response 952.

Pathway Comment  
None

#### Reference No 699

#### Pathway Response

The audit trail comprises information corresponding to the POCL Infrastructure Service together with its Systems Management function. The Systems Management function provides the audit trail with a record of operational events, inventory, distribution and remote operations.

Consistent identity of file, record and field will be maintained.

The POCL Infrastructure Service element of the audit trail

1. All transactions that pass through TMS are recorded in the journal. The journal will be maintained on magnetic media within TMS for a period currently planned to be 90 days. Following this the journal data will be archived to optical storage. The current or archived TMS journals can be accessed to provide an audit trail of all TMS transactions.

Some fallback scenarios will still be capable of recording a transaction in the TMS journal, e.g. keyed entry of card. Other scenarios will require data capture by alternate means and subsequent introduction to the TMS journal (e.g. manual AP

transactions due to equipment failure). In these situations the transaction details will be entered by the postmaster locally when the OPS is restored to service. Data captured during such fallback situations in the TMS journal can be accessed to provide an audit trail.

The distributed nature of the Pathway TMS enables an Audit trail to be maintained and accessed during any recovery of a TMS server.

2. The audit trail provided by the TMS journal will record all file transfers, messaging or transactions, and the processing that originated these messages.

3. Transactions recorded in the TMS journal will contain some standard information and then variable data depending on the process that originated them.

Standard data will include :-

Post Office ID	- The unique ID of the Outlet
Position ID	- A unique ID of the counter within the Outlet
Session ID	- A unique ID that identifies an individual customer session
Transaction ID	- A unique ID within the Outlet for a transaction that forms part of a customer session
Date	
Time	
User	- A unique user name of the counter clerk initiating this transaction
Application	- An OPS application service

Variable Data will include :-

Transaction details 1

.  
.  
.

Transaction Details n

4. Activities that use more than one POCL Service may be traced from start to finish with certainty, or from an intermediate POCL Service.

A typical customer session in an Outlet may comprise the use of APS (pay bill) and EPOSS (purchase stamp). All these transactions will be recorded in the local outlet journal and

each will contain the same unique session ID to identify that they occurred as one set of customer transactions at the counter. Each transaction will also record data specific to that transaction.

Transactions are then replicated to the central TMS and are subsequently extracted for processing and dispatch to a variety of host systems (e.g. POCL, POCL-Client systems). Each transaction will retain the attributes that enable its source and any associated transactions to be identified (e.g. transaction ID, session ID etc.). This data may be interrogated, subject to agreed procedures with Pathway, at any point in this process from transaction origination in an Outlet to Client specific datafiles just prior to dispatch.

5. Data recorded in the journal will be sufficient to allow a transaction to be recreated. Pathway will be pleased to discuss the recording of any specific data items that may be required by POCL.

6. The content of the audit trail will be agreed between Pathway and POCL.

7. Audit trail records will provide information for a period consistent with the Companies Act .

8. Pathway will provide POCL with reasonable access to the audit trail provided by the TMS journal.

9. Once transactions are written to the TMS journal they can never be altered or deleted.

10. TMS comprises a number of servers separated across two geographically remote sites. The service is resilient against the loss of individual servers or of a complete site.

Data within TMS is replicated within the local data centre and to the remote datacentre. When failed servers or a complete site is restored, all transactions are synchronised to bring each server up to date. The TMS service continues operating during this process.

Should both data centres supporting the TMS servers fail, the Outlets would continue largely unaffected. Transactions (OBCS, AP and EPOS transactions) would continue in each Outlet and be recorded in the local journal. When the central TMS is restored synchronisation would take place with each Outlet to bring the central TMS up to date.

11. It will be possible to provide a suitable legal assurance as to the integrity of the audit trail.

12. Any changes to the POCL Services provided by Pathway will be the subject of discussion and agreement with POCL. Technological change may be one of the implications of a service change (e.g. the introduction of a new counter peripheral). The ability to maintain the facilities associated with audit will be one of the acceptance criteria governing the introduction of any change. In the event that the audit trail medium becomes obsolete it will be securely copied to a medium that will be serviceable for the required lifetime of the content.

#### The Systems Management function

The Systems Management Service provides a repository for the recording of all physical events affecting the platforms which support the POCL Infrastructure Service, that is TMS and the OPS. All these environments operate under Windows NT and are managed from the Tivoli Management Servers. Tivoli provides, in conjunction with the native Windows NT and messaging middleware services, a comprehensive facility for trapping, recording and interrogating audit events relating to the operational status of the hardware, software and applications running within the POCL Infrastructure Service.

Tivoli auditing features enable the recording of events such as which users access which objects, what type of access is being attempted and whether or not the attempt was successful. Administrative privilege is required for controlling and accessing audit files within Tivoli.

Audit events may be viewed through a Tivoli interactive bulletin board with appropriate access security measures, or may be accessed by applications to undertake routine bulk audit analysis. Events related to the router network are similarly forwarded to the network management server, for storage for audit or operational planning purposes.

**Pathway Comment**  
None

**Reference No 799**

**Pathway Response**



Pathway can in principle provide a facility to manage the receipt and subsequent issue of APS tokens as directed by POCL. The introduction of such a facility will be subject to the Change Control Procedure.

#### Pathway Comment

Before a final solution can be defined it will be necessary for POCL and Pathway to agree the overall token issue process and any links to the issuing client organisations.

Areas that will need to be covered include :-

Method of dispatch and receipt of tokens to post offices and subsequent error handling.

Reconciliation of expected and actual token receipt and subsequent error handling.

Method of issue to customer, verification processes and subsequent exception handling.

Other exception conditions (e.g. token withdrawal, token non-collection, token non-arrival).

Information feedback to POCL and / or Clients.

#### Reference No 800

#### Pathway Response

1. EPOSS will record details of all transactions between the customer and the clerk. The information recorded will include any stock and cash items issued or received.

2. All transactions carried out whilst serving a customer will be recorded within that customer session.

Corrections to a transaction within the current customer session will normally involve a simple modification applied directly to the transaction. But, if the transaction is of a type (e.g. on-line financial) that has already been committed then it will be corrected by:

- a) the reversal of the original incorrect transaction.
- b) the addition of the correct transaction.

If a correction needs to be applied to a transaction in a previous customer session then the following procedure will be used:

- a) identify the customer session.
- b) identify and reverse the incorrect transaction
- c) insert the correct transaction.

Corrections to transactions will not be possible after the cut-off and despatch of those transactions to the appropriate client, processing centre or accounting report.

A refund is assumed to be distinct from a reversal to correct errors. It is considered to be a transaction in which a customer returns an item bought and is given back cash or is credited the amount. A refund must be supported by proof of purchase, such as a receipt, which provides a reference to the original customer session and the transaction.

3. EPOSS will uniquely identify each transaction and each customer session.

4. EPOSS will provide an explicit "end customer" event which will only be valid following the settlement of the customer session. The provision of a running session balance and change calculation should encourage the use of one session per customer. Consideration should be given to the provision of information messages triggered by the number of transactions in the session.

5. EPOSS will indicate the change due to the customer when the cash taken from the customer exceeds the session balance. This will be implemented such that the session can be ended as if the balance was zero.

#### Pathway Comment

None

#### Reference No 801

#### Pathway Response

1. EPOSS will support the current range of business transactions. Pathway understand that these are generically grouped as:- Value Stock product; Method of Payment (MoP); Loss and Gain transaction; Retail sales product; Receipt and Payment transactions.

2. EPOSS will support fixed price products and variable price products which may have a default value.

3. EPOSS will support variable price products where:- the value is entered by the clerk; the price is one of a defined set. In each case, variable price products can include a default value derived by look up from reference data or by an "intelligent" guess based on context. Rules will be allowed



for the validation of the value (this would include check for zero value).

4. 'Composite' products will be implemented using product categorisation and grouping. This will allow the sale and declaration of products by denomination.

**Pathway Comment**

None

**Reference No 802**

**Pathway Response**

1. EPOSS will record the issue and receipt of any stock and cash items associated with a transaction against a stock unit. This will result in the increase or decrease of stock and cash levels within the stock unit as appropriate. This will allow the current stock position for a stock unit to be reported on request.

2. Discrepancies between the actual stock and cash on hand and the system's view of stock and cash in a stock unit will be resolved by the stock and cash on hand declaration function. This will synchronise the system's view of a stock unit's contents with the actual stock unit's contents. This will take care of these types of discrepancies (compensating or otherwise) without carrying out a transaction or a reversal.

**Pathway Comment**

None

**Reference No 803**

**Pathway Response**

EPOSS will implement mechanisms to safeguard against recording one-sided transactions.

EPOSS will maintain a disk-based log of transactions within a customer session. Each transaction is added to this session log as it is completed. At the end of the session all of the transactions will be transferred (committed) to the journal. When all transactions have been safely committed the session log is cleared.

If failure occurs after the session has ended but before all transactions have been committed a cleanup procedure will use the (uncleared) session log to complete the commit process.

A transaction that requires it will be settled and committed when it is completed (i.e. before the end of the session). Obviously, this type of transaction does not need to be transferred and committed to the journal at the end of the session. For the purposes of recovery this type of transaction is treated as a session in its own right. It is marked "committed" after it has been successfully committed but is not cleared until the end of the session.

If failure occurs before the end of the session, none of the transactions will have been committed except for those that had been committed on completion as described above.

The implementation of these measures will ensure that a balanced status is maintained in the event of interruption or failure.

Pathway Comment  
None

#### Reference No 804

#### Pathway Response

1. EPOSS will maintain a journal of all transactions and a facility will be provided to allow the user to search and "browse" previous transactions. The user will be able to restrict the scope of the search.
2. All transactions will identify the stock unit and the balance period to which they apply.
3. It must be stressed that transactions, once committed to the journal, are NEVER deleted or modified by counter or office functions. The original transaction is always maintained and a reversal transaction negates the effect of the original. The transaction reversal process is described for the following scenarios:

Scenario 1. The transaction is in a previous customer session within the current stock unit balance period. The transaction has not yet been despatched (i.e. client cut-off) from the office.

The user will be able to browse the transaction journal in order to find and select the transaction for reversal. A loss or gain transaction may need to be generated to account for any cash (or other MoP) involved in the transaction. Any client summary will need to be re-printed to reflect the reversal.

Scenario 2. The transaction is in a previous stock unit balance period. The transaction has not yet been despatched (i.e. client cut-off) from the office.

The reversal must be carried out by the office manager within the office administration function - accounting adjustments. The manager will select the stock unit balance period and browse the transaction journal in order to find and select the transaction for reversal. A loss or gain transaction may need to be generated to account for any cash (or other MoP) involved in the transaction. The stock unit balance report and any client summary will need to be re-printed to reflect the reversal.

Scenario 3. The transaction is in the previous cash account period (i.e. the stock unit has been rolled over). The transaction has not yet been despatched (i.e. client cut-off) from the office.

As above, the reversal must be carried out by the office manager within the office administration function - accounting adjustments. The manager will select the stock unit balance period and browse the transaction journal in order to find and select the transaction for reversal. A loss or gain transaction may need to be generated to account for any cash (or other MoP) involved in the transaction. The stock unit balance report and any client summary will need to be re-printed to reflect the reversal.

Scenario 4. The transaction has already been despatched (i.e. client cut-off) from the office.

The transaction is not reversible. The error will probably result in the receipt of an error notice from the client.

#### Note

There is a distinction between a reversal for accounting corrections, such as the loss of a foil or stub, and a reversal due to a transaction refund (e.g. when a customer changes his mind).

4. Use of the transaction journal to resolve enquiries will be supported.

Pathway Comment

None

Reference No 805

Pathway Response

1. EPOSS will maintain a journal of all events such as logon, attach to stock unit, declare stock and cash and so on. The journal entry information will include the user and the stock unit.
2. The journal entries will identify the stock unit and the balance period to which they apply.
3. A facility will be provided to allow the user to search and "browse" the events in the journal using specified search criteria.
4. Use of the event journal to resolve enquiries will be supported.

Pathway Comment

None.

Reference No 806

Pathway Response

1. The time and date will be maintained centrally and will be transmitted to EPOSS via TMS thus ensuring that all Outlets are synchronised .

Pathway Comment

None.

Reference No 807

Pathway Response

The transfer of stock between stock units will be conducted in the following way:

a) The requesting user (i.e. the one receiving the stock items) will verbally agree with the sending user that the items can be transferred.

b) The requester will use a Transfer Request function (a form) to identify the sender and the stock items required.

c) The sender will use the "Transfer Out" function to view and confirm the stock items. When this is completed a "Transfer Out" receipt slip is printed by the sender. This process generates transfer out transactions and decreases the stock units stock levels.

d) The requester will use the "Transfer In" function to view and confirm the stock items. When this is completed a "Transfer In" informational slip is printed by the requester. This process generates transfer in transactions and increases the stock units stock levels.

e) The physical exchange of stock is accompanied by the signing of the Transfer Out receipt slip by the requester. The sender keeps the signed receipt as proof.

1. EPOSS will record the movement of stock and cash between stock units (i.e. transfers) within the same post office. The details of each transfer will be recorded in the journal and will identify the stock units and their respective balance periods.

2. Each transfer will comprise a set of one or more stock and MoP products.

3. The mechanism for entering the details of a transfer will resemble a form filling (P119) method rather than a serving session.

4. EPOSS will automatically adjust the stock and cash levels of the corresponding stock units to take into account the transfer.

5. The transfer will be recorded as occurring within the respective balance period of each of the stock units involved.

Pathway Comment

None



## Reference No 808

## Pathway Response

1. EPOSS will support the receipt, maintenance, return and issue of serial numbered stock items and tokens. Where the serial numbers are identified at the point of service (i.e. issue) EPOSS will support the recording of "spoiled" items. EPOSS will provide reconciliation functionality for serial numbered items. Reconciliation will be by volume and stock unit as follows:

Number brought forward + Number received  
equals

Number on hand - Number issued ( or spoilt or returned)

Where the movement of individual serial numbered items is not recorded EPOSS will provide manual bulk entry facilities for reconciliation.

2. EPOSS will support a suspense account mechanism whereby items not cleared during the accounting period will be carried forward to the next.

3. EPOSS will provide a snapshot representing the office balance position derived from all of the stock unit balances completed within the current accounting period. The format of the snapshot report will be agreed with POCL.

## Pathway Comment

None

## Reference No 809

## Pathway Response

1. The EPOSS desktop will provide customer session management which will maintain:

- a) a log of all of the transactions performed since the start of the customer session
- b) the session balance in the form of an amount to "take in" or "pay out"
- c) the allowable methods of payment for settlement

2. Transactions recorded in the journal will be identified by customer session.

## Pathway Comment



None

**Reference No 810****Pathway Response**

1. EPOSS will allow reversals and refunds. These operations will only be possible if POCL and Client accounting and business rules allow them.

2. The behaviour of transactions will be governed as far as possible by reference data parameters.

3. EPOSS will allow 'rate shopping' for those transactions which involve value-added associated services. For example, insured, registered and recorded delivery services against an inland letter transaction.

In addition, EPOSS will allow a total value to be input against a fixed price product. It will calculate the whole number of items that may be purchased for the amount specified. For example, if £1.00 is entered against second class stamps (19p each) the system will resolve this to 5 second class stamps with a total amount of 95p.

**Pathway Comment**

None

**Reference No 811****Pathway Response**

1. The passing of information to TMS is not strictly an EPOSS function. EPOSS will be responsible for recording information to the journal, but the subsequent replication and transmission of that information is then handled by the TMS functions.

2. EPOSS will support the introduction of new Client services. These will be integrated into the EPOSS product set so that they can be invoked by the appropriate event.

In most cases the introduction of a new product will be achieved through the distribution of reference data updates via TMS. In addition to reference data updates functionality can be introduced dynamically using revised versions of EPOSS (or APS) (and again these can distributed via TMS).

**Pathway Comment**

None

**Reference No 812****Pathway Response**

1. EPOSS will allow customer transactions to be reversed. EPOSS will also implement a mechanism to allow corrections to stock and cash transfers within the Outlet or between the Outlet and a remote location.
2. EPOSS will allow reversals to transactions providing that POCL and Client accounting and business rules allow them.
3. EPOSS will allow "accounting adjustments" in the form of correction transactions which are not necessarily mapped to specific transactions in the journal.

**Pathway Comment**

None

**Reference No 813****Pathway Response**

1. EPOSS will allow revaluation of fixed price value stock and MoP products. Revaluation of a product would normally be achieved through a reference data change delivered via TMS. The implementation of these types of products will be such that the new version will be distributed to Outlets in advance, and will coexist with the current version, only coming into effect on a specified "activation date". The activation date is part of the reference data (as is the expiry date of the superseded version).
2. Pathway acknowledges the possibility of future alternative currencies and EPOSS will implement MoPs accordingly.
3. The inclusion "uprating" and "downrating" accounting entries will allow for changes in stock product prices to be balanced.
4. EPOSS will implement revaluation of generic stock products in an appropriate and efficient manner.

5. The reference data for each value stock product will contain information which determines the accessibility (or sellable status) of the product.

**Pathway Comment**

None

**Reference No 814****Pathway Response**

1. EPOSS will provide a cash on hand declaration function analogous to the filling of a paper form.

2. This function will allow the cash on hand to be declared by denomination (including coin) for the purposes of daily cash reporting and as part of the stock unit balancing process.

3. The cash on hand declaration can be invoked at any time but will normally be carried at the end of a stock unit balance period and always as part of the end of day process.

4. The EPOSS system only accepts two-sided transactions so that it is always in a balanced state as far as the information it processes is concerned. In reality, the system will sometimes be out of balance due to physical misplacement of cash, value stock or any other transaction related vouchers.

It can also be logically balanced but physically in error as a result of mis-keying (e.g. MoP as cash instead of a cheque). In this case there may be a discrepancy between the system view of total cash and the actual cash on hand, but it will not necessarily result in a loss or gain being generated.

EPOSS will generate a loss or gain when:

Total Receipts (including Opening Stock and Cash)  
does NOT equal

Total Payments (including Stock and Cash on Hand)

5. EPOSS will issue an appropriate warning message when the cash on hand declaration total differs from the expected figure as maintained by the system.

6. EPOSS will permit the declaration of a zero value of any (or all) cash denominations.

7. EPOSS will carry forward and default to the denomination values from the last known declaration when no activities have

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occurred to alter these. A message will be issued to ensure that the user is aware of this when the cash on hand declaration function is invoked. Under normal circumstances the values will be set to zero to try and ensure that the user explicitly declares each.

8. In a Team Working office the cash declaration activity could be shared by any (or all) of the users attached to each particular stock unit.

## Pathway Comment

None

## Reference No 815

## Pathway Response

1. EPOSS will allow stock units which have not being used within an Outlet accounting period to be "rolled-over" to the next accounting period.

2. All stock units within the Outlet which contribute to the Cash Account must be rolled-over before the production of the Cash Account. This applies to dormant stock units as well as those that have been used during the period.

3. The office manager will control the roll-over of the dormant stock units.

## Pathway Comment

None

## Reference No 816

## Pathway Response

1. EPOSS will have access to a full set of outlet records for a rolling period of 18 months.

2. Information will be retrieved as complete set of records for the specified outlet account period.

3. The information for the previous two outlet accounting periods will be available for review on demand. Information dating back further than this will be available at 24 hours notice.

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4. EPOSS will record all significant events and all data entries.

5. EPOSS will implement a tiered level of access control. Each facility will have an associated access level and the user will require a corresponding (or better) privilege level to access the facility. Combined with the user logon requirement, this will provide a controlled environment for all users of the system.

6. EPOSS will provide the facility for an authorised user to maintain information about the users. This facility will allow the introduction of new users, the modification of user attributes (including password and privilege level), the deletion of users, and the suspension of a user's access to the system.

There will be a similar facility for stock units.

Pathway Comment  
None

Reference No 817

Pathway Response

1. EPOSS will allow discounting for those products which are defined to be discountable in the reference data.

2. EPOSS will implement an appropriate discounting mechanism for each discountable product. In it's most generic form this will take the form of a user specified percentage at the time of transaction. In specific transactions, a percentage will be derived from the reference data as the default. The application of a user specified percentage discount for all discountable products in a customer session will be supported.

3. In a similar way to above, allow a user specified discount value at the time of transaction. In specific transactions, the value will be derived from the reference data as the default. The application of a user specified discount value for all discountable products in a customer session will be supported.

Pathway Comment  
None



**Reference No 818****Pathway Response**

1. EPOSS will have access to reference data imported from The Reference Data System via TMS. EPOSS will support date and time stamping of reference data in the form of activation and expiry dates. The activation and expiry dates are part of the reference data.
2. EPOSS will produce a report of the reference data in use at an Outlet. The format of the report will allow recent changes to be presented clearly. Changes (and notification) will normally be delivered to the Outlet electronically.
3. EPOSS will maintain reference data used to control the behaviour of most aspects of EPOSS and transactions. EPOSS functions will be driven by reference data parameters whenever the functionality can be generalised. This will allow many aspects of the behaviour of EPOSS to be modified via reference data changes rather than software.
4. EPOSS will maintain the consistency of reference data to report on and warn of errors. Interdependencies between reference data elements will dictate whether reference data record deletions (and other operations) are possible.

The distribution of reference data to other counter workstations is the responsibility of the TMS/Journalising middleware. Similarly, reference data record integrity is handled by the TMS/Journalising middleware.

**Pathway Comment**

None.

**Reference No 819****Pathway Response**

1. EPOSS will support the different cash account formats (i.e. standard Outlet format and CRU format) currently used. The use of spare cash account lines to report on new products will normally be facilitated by reference data changes distributed via TMS. The cash account tables and validation rules applying to individual cash account lines will be maintained as part of the EPOSS reference data.



2. The mapping of the cash account lines to product and transaction data will be maintained as reference data.

3. EPOSS will maintain the cash account period numbers and their associated start and end dates as part of the reference data. A cash account period is normally a week. To cater for those occasions when the Outlet is authorised to combine two or three weeks into a single accounting period EPOSS will produce a single cash account report covering all transactions in the combined period. It is proposed that the cash account week number of the final week is associated with this cash account report.

It is understood that some client reports require the actual cash account week number to be identified. EPOSS will print the actual cash account week number for these reports.

4. EPOSS will initially produce a printed and an electronic version of the cash account report.

5. EPOSS will include a 2D bar-code on the printed report. The format of the data contained within the barcode is to be specified by POCL, but it is anticipated that it will contain a data-compressed set of all of the cash account report.

6. EPOSS will allow trial cash accounts to be produced. Production of the final cash account can be followed by an end-of-week facility which will 'move' the outlet forward into the next accounting period.

Note. Stock units will normally have been rolled-over into the next accounting period before the trial and final cash accounts have been produced. This is necessary in order to allow the staff in the Outlet to continue with their everyday tasks.

#### Pathway Comment

None

#### Reference No 820

#### Pathway Response

1. EPOSS will implement a tiered level of access control. Each facility will have an associated access level and the user will require a corresponding (or better) privilege level to access the facility. Combined with the user logon requirement, this will provide a controlled environment for all users of the system.

2. EPOSS will not hinder the Outlet's ability to maintain trading if the OPS is not available.

3. Following an Incident, EPOSS will:

- a) allow the user to return to a recent trusted position
- b) implement appropriate measures to reduce the risk of data corruption
- c) resume operation in a controlled auditable way as quickly as possible.

4. Backup of data will be handled by the data replication facilities of the TMS/Journalising middleware. This will allow seamless recovery from Incidents such as localised failure. A return to a known and trusted reference position will be provided by the setting of appropriate data markers.

5. EPOSS will implement measures to provide a robust committal process that reduces the risk of unrecoverable system errors.

6. EPOSS will implement measures to reduce the amount of data re-entry following recovery from a system failure.

7. EPOSS will monitor the integrity of the data and will inform the user of any implications with respect to the state of the data.

#### Pathway Comment

None

#### Reference No 821

#### Pathway Response

1. Pathway recognises that the centralisation of the administration of local schemes is a complex problem and needs extensive investigation to assess whether it is operationally achievable in an efficient manner. Therefore, it is proposed that local schemes will be implemented as a set of blank template products that can be tailored and activated when required. Facilities to account for and report on these transactions will be provided.

EPOSS will be configurable such that it could:

- a) restrict the availability of specific transactions for an Outlet.

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- b) allow the use of specific transactions to be optional for an Outlet.
- c) allow local tailoring of specific transactions for an Outlet.
- d) introduce new functionality as agreed with POCL.

2. EPOSS will ensure that transaction data and data derived from transactions is in the appropriate form for use by systems outside of OPS. It will also provide facilities to read and interpret data originating from systems outside OPS.

**Pathway Comment**

The following information is provided in order to assess the complexity of administering local schemes centrally.

Currently there are seven regions each administering approximately 20-30 schemes as indicated in the following table:

Region	Approx. No. of Clients	Approx. No. of Schemes
North East	25	26
North Wales and North West	24	24
Midlands	18	21
Scotland and Northern Ireland	13	14
South East	22	22
South Wales and South West	27	27
North Thames and East Anglia	22	23
Total	151	157

In general, all post offices within an area will offer the local schemes. A few offices within the area may be excluded from the scheme, and a few offices from neighbouring areas will be included in the scheme.

The FAD code of an office is a seven digit number of the form  
OOO AAA C

where      OOO = Numeric Office code  
            AAA = Numeric Area Code  
            C = Check digit

An analysis of the FAD codes has provided the following information:

1. There are a total of 145 areas in all regions.
2. The largest number of offices in an area is 404.
3. The average number of offices in an area is 135.
4. The smallest number of offices in an area is 4.

For a centralised administration and reference data distribution function for local schemes to be implemented, with each participating office in each scheme being individually identified, a database estimated at 30,000 to 40,000 records is required.

Each local scheme will consist of approximately 150 records with a maximum of almost 500 records.

#### Reference No 822

##### Pathway Response

The Contractor shall provide the Logistics Feeder Service through the medium of the POCL Service Infrastructure such that it can interface to the agreed POCL SAP/ADS system. The POCL Service Infrastructure shall be designed such that, subject to the Change Control Procedure, it can interface into any other POCL inventory management system, and shall have sufficient capacity not to preclude such interfacing.

##### Pathway Comment

None.

#### Reference No 823

##### Pathway Response

1. The storage of EPOSS transaction data and data derived from transactions is the responsibility of the TMS/Journalising middleware. It is the responsibility of this middleware to ensure that the data is made available to other POCL Services which require access to the data.

2. EPOSS will implement appropriate measures in an attempt to maintain the integrity of data in the event of an Incident and avoid corruption of data due to interruption of an incomplete process.

In addition to the actual data to be recorded EPOSS will include information which is used to ensure the integrity of the data. The additional information consists of a message sequence number and a message CRC check digit.

##### Pathway Comment

None

## Reference No 824

## Pathway Response

1. EPOSS will allow the price of posting a mail item to be determined from information including the class of mail, the weight, and (if not inland) the destination. The weight will be provided by a connected electronic scale. Where the scale is shared between counter positions, it will be the responsibility of the scale to handle contention and accept or deny a connection to a counter workstation.

2. EPOSS will ensure that a connection to the scales is only requested when needed by a transaction and will proceed with such a transaction when the connection is made. EPOSS will ensure that the connection to the scale is released promptly when it is no longer required.

## Pathway Comment

None

## Reference No 825

## Pathway Response

1. EPOSS will record all sales. All transactions will be recorded using a Point of Sale function. This function will provide a consistent method for invoking fixed price product sales, simple open value transactions and complex transactions. The recording of information for all transactions will be handled in a consistent manner.

2. Where transaction data will be captured through a peripheral reading device, the invocation of the transaction will be event-driven.

3. Each counter transactions will be maintained within its respective customer session.

4. Transaction data captured during other POCL Services will be recorded via EPOSS.

5. Transactions recorded in the journal will be identified by customer session.



6. The EPOSS desktop will provide customer session management which will maintain:

- a) a log of all of the transactions performed since the start of the customer session
- b) the session balance in the form of an amount to "take in" or "pay out"
- c) the allowable methods of payment for settlement

7. In general, an outstanding customer session balance can be settled by a single MoP or a combination of MoPs (e.g. part cash and part cheque). In some circumstances a transaction (e.g. savings account deposit) can require settlement in its own right irrespective of other transactions in the customer session. In addition, EPOS will enforce a set rules for a transaction which will determine the MoPs allowed for that transaction.

8. EPOSS will allow the introduction of new types of MoP by implementing the MoPs in a generic manner similar to other products/transactions. As such, EPOSS will allow new MoPs to be introduced dynamically via reference data and applets.

9. EPOSS will support multiple simultaneous customer sessions at the same counter position. It will allow a customer session to be suspended and resumed as required. When one or more customer sessions are suspended the clerk can continue to start and end further sessions for other customers.

10. EPOSS will provide a Void (or cancel) facility for the current customer session. Some transactions in the session may not be "voidable" due to accounting or business rules.

11. EPOSS will allow reversals and refunds. These operations will only be possible if POCL and Client accounting and business rules allow them.

12. EPOSS will support primary products with associated mandatory and optional products. For example, the £1.00 postal order product will have an associated 25p postal order fee product, or the association of a product representing the notional value of an MVL disc for accounting purposes. EPOSS will support the linking of as many associated products to a primary product as is appropriate.

EPOSS will support cross-selling in the form of messages and prompts associated with selected products. For example, the selling of theatre tickets could prompt the question: "And how are you travelling there, sir/madam?" which could result in the sale of a bus or rail ticket.



13. EPOSS will have the facility to read data from all the input devices (and their storage media) that are part of the OPS.

14. EPOSS will allow the manual entry of weight values where the scales are not linked. In fact, EPOSS will allow manual entry of any information that is normally captured via a peripheral to cater for the cases where the peripheral is not connected, or has failed, or is unable to read for other reasons (e.g. illegibility).

15. EPOSS will support the introduction of new Client services. These will be integrated into the EPOSS product set so that they can be invoked by the appropriate event.

In most cases the introduction of a new product will be achieved through the distribution of reference data updates via TMS. In addition to reference data updates functionality can be introduced dynamically using revised versions of EPOSS (or APS) (and again these can distributed via TMS).

Pathway Comment  
None

Reference No 826

**Pathway Response**

The Pathway solution for OPS is based around a PC configuration at each counter position. Each PC will have a number of spare RS232 ports and these may be used for the connection of future peripherals. Connection to Avery-Berkel Parcel Scales has already been demonstrated.

Pathway confirms that the OPS will be capable of connecting to specialist peripherals which support dual connection. The capability for such peripherals to be dual connected is primarily a function of the design of the peripheral, its physical connections and supporting firmware.

Access to these peripherals will be restricted to those counter PC's which are suitably configured.

Pathway Comment  
None

## Reference No 827

## Pathway Response

1. The overall Pathway solution can be developed to provide support for a variety of authorisation methods including stop lists, go lists and other forms of authorisation in support of future POCL Products. Detailed discussion would be required with POCL and/or the Client on the form of such authorisation processes and the precise maintenance and usage of all supporting data.

Where such products exploit the "nominated post office" relationship between a customer and a specific post office the design of any authorisation process would seek to hold such data locally to reduce network costs and optimise transaction times.

2. The Pathway solution can support links to external computer systems. Such links are already in existence and are achieved through the use of a service specific TMS agent.

## Pathway Comment

None

## Reference No 828

## Pathway Response

Pathway confirms that it will maintain the confidentiality, integrity, validity and completeness of data throughout all storage, processes and transmissions, including during periods of service failure and recovery from service failure.

The techniques that have been proposed by Pathway in particular circumstances, include physical and personal security measures, file integrity checking, data encryption, digital signatures, CRC checking, disk encryption, systems design for selective management and visibility of data.

## Pathway Comment

None

## Reference No 829

## Pathway Response

Pathway confirms that it will ensure that all relevant information produced at the request of POCL shall be evidentially admissible and capable of certification in accordance with the Police and Criminal Evidence Act (PACE) 1984 and the Police and Criminal Evidence (Northern Ireland) Order 1989 and equivalent legislation covering Scotland.

Pathway confirms that at the direction of POCL and subject to reasonable regard to the data volumes and storage durations incurred, audit trail and other information necessary to support live investigations and prosecutions will be retained for the duration of the investigation and prosecution irrespective of the normal retention period of that information.

#### Reference No 830

#### Pathway Response

##### 1 Contingency plans

Pathway will, in co-operation with POCL establish comprehensive plans that:

- will ensure that all POCL Services are supported by contingency plans, including where appropriate, fallback transactions, that will minimise or negate the impact of failure in any part of the POCL Services

- will ensure that such plans are compatible with an overall service continuity framework

- are based on impact and risk assessments agreed between Pathway and POCL

- identify ownership of all plans

- include activation procedures and time periods within which contingency measures will be activated

- include a testing strategy for both initial testing on implementation and deployment and for regular testing during normal ongoing operations

- include:

- \* prevention measures
- \* preparedness measures
- \* contingency measures
- \* recovery of normal service
- \* change control procedures
- \* contact lists
- \* service levels including contractor liability per associated agreements

- be subject to joint review by Pathway and POCL

**Pathway Comment**

The Business Continuity Framework will be introduced as a contract controlled document.

**Reference No 831****Pathway Response**

Reference is made to Interface Specification, POCL Interface Requirements for BA/POCL System.

**PATHWAY SOLUTION:**

Pathway will develop the necessary systems and operational processes to support the interfaces as specified in this requirement and the POCL Interface document.

Pathway assumes that subject to the comments made below this document will form the basis of the Contract. Following Contract award it will become subject to joint change control between POCL and Pathway.

Pathway recognises from section 1.2.2 of the POCL Interface document that further functionality may be required and will be pleased to discuss the necessary operational and commercial implications as details become known.

The development and implementation of POCL interfaces will principally take the form of TMS Agents that act upon transactions originated within the Outlets or which receive transactions or data from POCL or Client systems.

Transactions from Outlets will be generated as a part of the counter application (e.g. AP, OBCS, LFS).

The detailed formats of all interfaces will be agreed with POCL. Pathway notes the requirement in section 2.1.2 and D5 of the POCL Interface document that the ARTS model will be used where applicable as the standard for record interfaces.

**Specific Interface support****1. Logistics Feeder Service (LFS) to/from Outlets via TMS**

Interfaces will be provided in accordance with "LFS to SAPADS and SAPADS to LFS Application Interface Specification" (POCL reference JED/LFS/007).



2. Transaction Information System (TIP) system interfaces from TMS and outlets.

Interfaces will be provided in accordance with Pathway to TIP Application Interface Specification

3. POCL Reference Data system interfaces to TMS and outlets

Interfaces will be provided in accordance with Reference Data to Pathway (Reference Data Project Application Interface Specification) and Application Interface Specification Reference Data to Pathway Non-Automated Type B Data.

4. Interfaces between outlets (via TMS) and POCL Clients

Interfaces will be provided in accordance with Pathway to HAPS Interface Specification. Interfaces will be provided in accordance with AP Client Specifications in respect of individual AP Clients when these are agreed.

5. TIP/TMS interface for authorisation data

The capability for POCL to effect reconciliation between itself and its clients is provided by the TMS outputs to TIP as specified in Pathway to TIP Application Interface Specification.

Pathway notes the exclusions both in requirement 831 and the POCL Interface document.

From requirement 831

EFTPOS (although stated as not part of the initial procurement Pathway notes the terms of requirement 692).

Reconciliation and exception reporting. Reports will be provided in accordance with Specification for APS Reconciliation Reports (APS) and Pathway to TIP Application Interface Specification.

Operational management information.

Inspection of transaction and event logs for audit and security purposes.

Transitional arrangements in relation to the automated payments/ALPS host. Automated Payments: Pathway will provide interfaces in accordance with Pathway to HAPS Interface Specification. ALPS host: Requirement 899 specifies that the stop lists for OBCS will be transferred from DSS to TMS; Pathway will provide interfaces in accordance with DSS Client Interface Specification \ OBCS.

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Transitional arrangements for cash account processing. Pathway will provide facilities in accordance with Service Architecture Design Document Section 4.1.3.3.4.

From the POCL Interface document (where not stated in requirement 831)

File and message switching interfaces. These are covered in requirements 471 and 478.

Pathway confirms that all interfaces will be agreed with POCL and notes that the associated specifications are subject to change.

Pathway Comment  
None

Reference No 832

**Pathway Response**

The automation of transaction processing at the counter will allow the following business processes:

- 1) The data captured at the Outlet will be complete and accurate within the context of the activity being recorded. For example, transaction data will include information which uniquely identifies each transaction.
- 2) The transfer of data will be handled by the TMS/Journaling middleware. It will ensure that the data transfer is secure, complete, accurate and robust.
- 3) EPOSS will provide validation of transaction data for both format and content. Validation of the format of data will normally be handled at the data entry level by the EPOSS Desktop using information from the product definition reference data. EPOSS will also support the validation of the content of the data in on-line and off-line operation.
- 4) EPOSS will record transactions and events in a way that is resistant to tampering. In the event of fraud, this information will be used to establish that the POCL Service was operating as intended.
- 5) EPOSS will support transactions which force the printing of a customer receipt. A copy of the receipt will be printed for retention in the Outlet. All of the transaction details will be recorded in the journal and these can also be used for the resolution of problems.
- 6) The Outlet, stock unit, and user will all be identified when recording transactions and any activities involving cash



and value stock. This will enable accountability to be maintained for the handling of cash, value stock and transaction documentation.

7) EPOSS will record a complete set of transactions for a customer session at the point of sale. This will include all methods of payment.

8) EPOSS will implement a tiered level of access control. Each function will have an associated access level and the user will require a corresponding (or better) privilege level to access the facility. Combined with the user logon requirement, this will provide a controlled environment for all users of the system. EPOSS will also provide the facility for an authorised user to maintain information about the users. This facility will allow the introduction of new users, the modification of user attributes (including password and privilege level), the deletion of users, and the suspension of a user's access to the system. There will be a similar facility for stock units

9) The TMS/Journaling middleware will provide transparent data replication within the Outlet and transmission to TMS. This will provide a robust environment for Outlets with two or more counter positions. For Outlets with a single counter position EPOSS will augment the transmission to TMS with transparent replication of data to an auxiliary storage device (e.g. diskette drive). Recovery will also be free of operator intervention. EPOSS will rebuild the system using the data from TMS and will augment this with information from the auxiliary storage device. The process described above removes the need for staff to perform back ups.

10) Each user, counter position and counter equipment device will be uniquely defined within the Outlet.

11) EPOSS will allow each stock unit to be balanced as often as is required within a cash account week. Balancing will involve the reconciliation of transaction data, cash and stock movements against the actual cash and stock held. The balancing process will provide the opportunity for review and amendment before final review and authorisation.

12) Transaction data will be transmitted to TMS in a timely and efficient manner using a secure method.

13) Transaction data that has not been transmitted to TMS will be clearly identifiable.

14) A recorded transaction will be reconcilable against any supporting vouchers (i.e. stubs, forms, counterfoils) generated or collected during the transaction. Where necessary the vouchers will be made available for central processing and validation.

15) EPOSS will maintain an up-to-date record of each stock unit's contents. It will provide facilities to report the current balance position of each stock unit. It will also

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provide an instant office snapshot facility which will provide a view of the last known office balance position on demand.

16) All movements of cash, stock and other items will be recorded and clearly identified. See responses to requirements 691, 807 and 822.

17) EPOSS will produce all specified summaries when required. If required, summaries will contain only those transactions not already summarised. The process will take into account the client cut-off's such that transactions already reported and despatched prior to the cut-off are not included on subsequent summaries.

18) EPOSS will support and identify items posted to suspense accounts.

19) Pathway will ensure that the system complies with all the appropriate legislation.

20) The Outlet will continue to operate using the fallback procedures following a system failure. This will include the manual recording of all events and transactions, and this can be considered to be an "audit trail". On recovery, the system will record the fact that the system failure took place, and any events (such as transaction entry) which are part of the recovery process will be identified as such.

**Pathway Comment**

None

**Reference No 833****Pathway Response**

EPOSS will support a training mode. It will support "trainee" users and "training stock units". Operations on training stock units and any associated transactions will be recorded. Balancing of training stock units will be permitted but this information will be excluded from the office balancing and accounting process.

**Pathway Comment**

None

**Reference No 834****Pathway Response**

1. Adequate Contingency

The Pathway solution and supporting services provide comprehensive contingency arrangements for all outlets. These include :-

A distributed design which insulates the majority of counter transactions from any failures external to the Outlet.

Comprehensive help desk support to provide OBCS transaction authorisation where an Outlet is out of action.

Highly resilient designs for TMS, including multiple servers and resilient local and wide area networks.

Transition of a post office will be undertaken on a "whole office" basis and will be capable of being performed at any point during the weekly cash account cycle. The sooner after the weekly cash account is struck the less the retrospective re-application of transactions will be required, whether this re-application is manual or automated.

Because of this approach, contingency during transition of a post office does not represent a discrete requirement.

Facilities will be provided to enable information from offices with ECCO+, Capture, PO Balancer (and similar programs) to be extracted, converted and used as part of the automation initialisation process. The automated migration of such data will be implemented if sufficient information is available about its storage and the number of offices affected is large enough to warrant the creation of the appropriate migration software.

The extraction of data from the office's existing systems will be carried out in a non-intrusive manner such that the integrity of the systems being replaced will not be compromised and will be available for live use until the manager is satisfied that the new system has been adequately established. In particular systems will permit more than one migration sequence to be attempted such that a failed attempt does not compromise the live system.

It is envisaged that all cash account products will be "transactable" (in at least a minimum form) as soon as the office EPOSS automation is operational.

## 2. Implementation of parent and satellite offices

The roll-out plan will be agreed with POCL and will take account of relationships between Outlets (e.g. parent/satellite).

Where a post office is automated prior to one or more of its associated satellite offices it will be provided with a facility for the entry of paper-based information received from the non-automated satellite offices.

Where a satellite office is automated prior to its parent office it will be provided with a facility to produce paper-based reports for its parent office.

### 3. Plain Paper Summaries

Each Outlet will be equipped with a back-office printer capable of producing plain paper summaries. The content of these summaries will require discussion and agreement with POCL.

### 4. 2-D barcodes

Each Outlet will have the ability to print a 2-D bar code on the plain paper summary. the content of the barcode will require discussion and agreement with POCL.

### Pathway Comment

None

### Reference No 835

### Pathway Response

1. Benefits encashment and other Automated products will be integrated into the EPOSS Desktop and will utilise its customer session management and transaction recording facilities such that:

- a) The EPOSS Desktop will automatically record the transaction details.
- b) A local transaction record will be stored for summarisation and balancing.
- c) The information recorded locally will be consistent with the information provided (via TMS) to other systems.
- d) Transaction times will be minimised. The transaction application will be invoked automatically on the peripheral device read event. Transaction data will be obtained during the device read such that manual data entry is reduced.



2. EPOSS will support the provision of transaction summaries for comparison with other records. It will provide summaries showing detail and totals for the following items:

- a) motor vehicle tax discs on hand;
- b) milk tokens on hand;
- c) cheques;

3. Summaries will be enhanced in the process of automating transactions to show information about items issued, held, received, returned and spoiled. Individual serial numbers will be included where appropriate.

Pathway Comment

None

Reference No 836

Pathway Response

1. Pathway will investigate and assess the level of integration that can be achieved between the CRISP system and EPOSS. In the case where the CRISP system is truly standalone it is anticipated that the sharing of information will be achieved via file or communications media. If the CRISP system is to coexist with EPOSS on the same windows NT platform then integration will take the form of sharing data via OLE automation.

2. There is a very broad range of secondary businesses run by Agents in post office Outlets. This means that it is probably not a good approach to attempt to cater for every type of business as an integral part of EPOSS. The facility will be provided to allow appropriate applications for other business to coexist with EPOSS on the same Windows NT platform. Transactions from these applications will be identifiable as separate from EPOSS transactions particularly with respect to accounting procedures.

3. The information recorded for each transaction will be dependent on the transaction itself. In general, it will include the following:

- a) Outlet, clerk, and counter position.
- b) Date and time.
- c) Unique Product Identifier.
- d) Value.
- e) Quantity.
- f) Product, client and/or scheme reference codes (if applicable) .



g) Various customer details (if applicable)  
h) Methods of payment. In many cases the settlement will be applied to the whole customer session rather than individual transactions.

4. EPOSS will support the introduction of new Client services. These will be integrated into the EPOSS product set so that they can be invoked by the appropriate event. In most cases the introduction of a new product will be achieved through the distribution of reference data updates via TMS. In addition to reference data updates, functionality can be introduced dynamically using applets (and again these can be distributed via TMS).

#### Pathway Comment

We should beware increasing the complexity and therefore the cost of EPOSS to all post offices for the benefit of just a small number of post shops. At present the contractor has very little information on the CRISP system (2 pages in the SSR) and this is not sufficient to formulate a specific response to the requirement. Pathway would like to discuss the CRISP requirement with the Programme to take this forward.

#### Reference No 837

#### Pathway Response

1. EPOSS will support the production of the following predefined reports:

- a) Transaction level reports by stock unit printed on clients' stationery using the counter printer or, if the physical size or layout of the stationery demands it, the A4 Outlet printer.
- b) Transaction level reports by stock unit printed on plain paper using the counter printer or, if the physical size or layout demands it, the A4 Outlet printer.
- c) Reports on the current level of value stock products by stock unit.
- d) Reports of transaction volumes and values.
- e) EPOSS will produce cash account reports.
- f) Reconciliation reports.
- g) Reports on cash and value stock movements.
- h) Ad-hoc MIS reports as agreed with POCL.

2. EPOSS will support the printing of reports in accordance with POCL and Client requirements on frequency subject to the capacity of the printer provided. The printing or output of reports will be at the users discretion. Client reports will

be produced on a daily and weekly basis and it where appropriate the facility will be provided to print several weekly reports within a accounting period.

**Pathway Comment**

The contents of these reports will be defined in the CCD entitled "Horizon OPS Reports and Receipts - ICL Pathway Horizon Office Platform Service".

**Reference No 838****Pathway Response**

1. EPOSS will allow the entry of additional information associated with transactions. It will permit some of this information to be entered at a later time. EPOSS will not permit information to be entered which will compromise the integrity of any balancing or accounting processes. EPOSS will support the post-event entry of transaction information such as the weekly total of inland parcels posted as prepaid by franking meter label.

2. EPOSS will support the entry of data for transactions (including local schemes) where only the volume is recorded for accounting purposes.

**Pathway Comment**

None

**Reference No 839****Pathway Response**

EPOSS will provide retail functionality similar to that used in PostShops. This will be available for delivery at a later date to be agreed with POCL. The retail functionality will:

- support the existing post shop products
- be extendible to allow for the introduction of new retail products and other changes in the product range
- allow retail items to be mixed with non-retail transactions at the counter within the same customer session
- record the sale of each retail product as a separate transaction against the user and the stock unit
- support price (and other information) lookup for retail products

adjust the office retail stock levels in real-time in response to receipt, return and selling of retail items.

allow office stock level interrogation on demand

support a weekly office "stock-take" activity

reconcile retail transactions as a single line entry in the Receipts table in the stock unit balance, office balance and the cash account

It is understood (from Req 836) that the integration of the CRISP system used in PostShops and the EPOSS system will be assessed. EPOSS will also endeavour to provide the type of retail functionality which will support the following:

- a) Till functionality.
- b) Discounting.
- c) Coupon management.
- d) Multibuys.
- e) Promotions.
- f) Marketing.
- g) Reporting.

#### Note

The retail product set is considered to be separate from the stock unit product set and will be maintained and accounted for on an office wide basis.

#### Pathway Comment

We should beware increasing the complexity and therefore the cost of EPOSS to all post offices for the benefit of just a small number of post shops. At present the contractor has very little information on the CRISP system (2 pages in the SSR) and this is not sufficient to formulate a specific response to the requirement. Pathway would like to discuss the CRISP requirement with the Programme to take this forward.

#### Reference No 869

#### Pathway Response

1. Pathway notes that POCL are not concerned with the performance of individual subsystems per se, but that their primary concern is with the overall performance of the service as it impacts upon their own systems, clients staff, agents and customers. Pathway notes that targets for the level of internal performance between its subsystems will therefore not be set by POCL, but that internal subsystem performance will be judged by POCL as it affects overall service performance.

2. Pathway will specify the internal performance requirements of any subsystem that is re-tendered. Pathway will maintain and report actual measured performance for TMS in respect of its interfaces with other subsystems.

3. Pathway will specify the performance requirements and tolerances for :

- 3.1 Hours of operation of the TMS
- 3.2 Response time required between TMS and OPS
- 3.3 The number of outages of TMS, identifying types of outage monitored
- 3.4 The availability of TMS.

4. Pathway confirms it will report against all the requirements and tolerances identified in (3) above.

5. Pathway will maintain detailed technical documentation of the interfaces from TMS to, OPS and all attachable computer systems. In the event of any changes to any interface to TMS, this will be notified to POCL in advance with updates to technical documentation made within 10 working days of the change being implemented.

Pathway Comment  
None.

Reference No 870

#### Pathway Response

1. EPOSS will be implemented such that it operates efficiently and accurately with the minimum of user interaction with the keyboard and other devices. It will endeavour to reduce the transaction times wherever possible such that the serving of a customer is not slowed down overall. The system response to peripheral input will be maintained at an acceptable level.

2. EPOSS will provide summarisation and balancing facilities in an efficient manner so as to avoid unnecessary re-processing due to data adjustments.

3. Normally, EPOSS will record the time of completion for each transaction. This means that the time from the end of one transaction to the end of the next can be measured. EPOSS will also record the beginning of a customer session as the point where the first transaction is invoked. Whilst this does not provide a strictly accurate measure of transaction time it can



used for simple analysis. It is recommended that the analysis of transaction times be carried out centrally using information extracted from TMS. This will allow transaction times to be compared across Outlets so that averages, trends and substantial performance deviations can be reported.

If a higher level of detail is required then mechanisms can be implemented to capture all recordable user and system events (device input/output, keystrokes etc.). It is recommended that this type of mechanism is only used on a temporary basis for monitoring purposes.

4. EPOSS will perform transactions in a predictable and consistent manner such that the elapsed time from invocation to completion for the same transaction (i.e. same type, similar data entry, similar office size and office load conditions) does not vary to a statistically significant extent. Where the transaction time does not meet this criteria then Pathway and POCL will investigate and agree an appropriate course of action.

#### Pathway Comment

None.

#### Reference No 871

#### Pathway Response

1. EPOSS will be implemented such that the version of any reference data being referenced from outlets will be the latest applicable version of such reference data. The version of such reference data will be considered fully updated when all applicable updates have been applied. If one day's worth of updates have not been applied then the version will be deemed to be one day behind and so on.

2. Transaction data will normally be forwarded to POCL central systems (e.g. TIP) soon after the completion of the business day on which the transactions occurred as part of one or more batch communications transmissions. Transaction data not available for the first transmission will be included in a subsequent transmission.

Data which is included in the first batch transmission to take place after the time of the completion of the business day will be deemed to be in the first batch transmission and so on.



3. Batch transmission times will be agreed for each POCL central system, but will not be scheduled to complete before 0430 on the morning of the day following the business day in question.

Service levels for the above will be as described in Schedule F08.

**Pathway Comment**

It will be necessary to define the time or times when the business day is deemed to end.

It will be necessary to define the start and finish times for the first, second and third transmission windows.

Pathway notes that the definition of transmission of batched transaction data does not anticipate transmission to commence before the end of the business day in which the transactions occurred.

Where an outlet does not report end of day by the time the latest time for this signal then Pathway will compile the transaction record on the basis that end of day was signalled at that time. It will be necessary to define the time or times for the signal which may or may not be the same as end of business day.

**Reference No 880**

**Pathway Response**

Transaction data from the Outlets and sent to TIP via TMS will follow the specifications defined in the TIP Applications Interface Specification.

**Pathway Comment**

None.

**Reference No 890**

**Pathway Response**

**1. AP transactions**

All transactions that take place in an Outlet will be automatically and securely replicated to TMS throughout the day. Transactions, once committed locally as part of a

customer session, will be immediately replicated to any other counter position PCs in the outlet and periodically to central servers in TMS. Each transaction will have a unique and increasing sequence number and TMS facilities ensure that transactions cannot be replicated out of sequence.

The end of day process in each Outlet will transmit any remaining transactions, any end of day control totals and an end of day marker.

TMS Agents will extract information from the central TMS journal and prepare the files (including transaction and value totals) for subsequent dispatch to POCL and their Clients. Any outlets for which an end of day marker has not been received will be identified and investigated.

## 2. POCL and Client synchronisation

It is anticipated that the AP datafiles will be accumulated during the day by the TMS Agent and that the files for POCL (i.e. for TIP or equivalent) will be generated following Outlet closures.

Transactions for POCL Clients (e.g. AP Clients) and for POCL are all derived from the same source data (in TMS) and will therefore be consistent. File dispatch to POCL and POCL Clients will be determined by the operational windows agreed with these parties but will always occur at least once every 24 hour period.

The agents which extract and transmit TMS data to Clients and TIP act independently and can access the same source data simultaneously. This ensures that the data received by TIP is entirely consistent with the data transmitted to the clients.

In addition to the Outlets' Transaction records, Client cut-off records will be transmitted to TMS from Outlets (by Stock Unit and by Balancing Period). The Client cut-off records will indicate the despatch of foils, stubs and vouchers to the appropriate processing centre. These Client cut-off records can be used to control the extraction and transmission of TMS data by the agents.

### Pathway Comment

None

**Reference No 891****Pathway Response****1. General requirements**

1.1 Pathway will ensure that all captured data (that is inward data across service interfaces) is complete, and accurately reflected in the appropriate outward interfaces. These specifically to include:

- transaction data of all transaction types and modes including stock and money levels

- reference data changes, both local (from an individual outlet) and from POCL Reference Data System except for any transient arrangements

- such data consistency will be maintained at the levels of interface and across interfaces according to requirement, e.g. data captured in EPOSS is accurately reflected in the interface between OPS and TMS

1.2 Pathway will provide for the synchronisation of data flows and storage, by applying timing data (date and time stamps) and time sentinels (end of day records) as appropriate. This specifically to include:

- monitoring data transfers and accounting for data brought forward, received, passed on and carried forward across the service boundaries

- monitoring data transfers and accounting for data across interfaces internal to Pathway

- for example, EPOSS transaction data transferred to TMS and subsequently transferred to TIP

- where a single data stream is "switched" to more than one recipient, Pathway will reconcile or eliminate any differences due to timing between transfers, providing information to each recipient such that they can reconcile with other recipients of the same data even though such recipients may process the data at different times and frequencies

- for example, POCL will require (at least) daily volume and value totals of APS transactions sent to its clients, such that POCL may reconcile these against the daily volume and value totals sent to TIP.

1.3 Pathway will ensure that data is consistent between the levels where transaction or stock and money level data is held, maintained or transferred at more than one level. This specifically to include:

- transaction data at summary and individual item level

It should be noted that the Pathway solution maintains transaction data in its original, non-updated and most finely divided form within TMS both at the post office and correspondence server layers, and that all derivations are from this invariant base.

1.4 Pathway will perform daily cut-over reconciliations for any on-line interfaces with external systems, for example between TMS and any EFTPOS merchant acquirer. In particular, interfaces with POCL clients which transfer data up to declared cut off points will contain reconciliation data to check that the data received corresponds with that sent.

1.5 Pathway will report reconciliation results to POCL including any reconciliation exceptions. Reconciliation exceptions will be held in a Reconciliation Exception Database (RED) and the progress to resolution of each outstanding exception will be reported to POCL. These to include reconciliation results:

- between Pathway and POCL

- between Pathway and other external interfaces (e.g. POCL clients) to enable POCL to maintain its commercial relationships

- between Pathway internal service components (to inform/assure POCL on the status of the Pathway system and service)

1.6 Pathway shall apply appropriate integrity controls at all interfaces and provide information demonstrating integrity. For interfaces that are already in place integrity controls shall be as specified in the document titled "POCL Interface Requirements for BA/POCL System, version 1.6, dated 16 April 1996". For new interfaces such integrity controls shall be agreed through a process which is defined in the documents Business Requirements Definition (reference PA/STD/003) and New Service Introduction (reference PA/PRO/007).

1.7a Pathway will control the implementation of configuration changes, including changes to reference data. This to include:

- checking and reporting the implementation of changes against instruction

- maintaining the integrity of other reconciliation processes across configuration changes, including demonstrating this in testing

1.7b Pathway will meet all reconciliation requirements in contingency situations as well as in normal working.



### 1.8 Targets for all reconciliation requirements are:

full reconciliation with 100% of items accounted for provision of reconciliation reports identifying reconciliation totals at summary level and RED reports for reconciliation exceptions at detailed levels, for example at transaction level for transaction data

Pathway will resolve any reconciliation exceptions produced by its reconciliation processes

Pathway will provide reconciliation reports at summary level and identification of reconciliation exceptions to POCL by 9 am of the day following that in which the reconciliation exception occurred

Pathway will use all reasonable endeavours to resolve reconciliation exceptions promptly

For APS, this is described within Pathway document CR/SPE/005 "Specification for APS Reconciliation Reports - for Release NR2". There is no reconciliation for OBCS.

## 2. Post Office Outlet Reconciliation Requirements

2.1 Pathway will ensure that stock and money levels are reconciled with transaction data. This will be:

- at the transaction level
- at the customer session level
- at the stock unit level
- at the outlet level

Note: the requirements for balancing within an office are defined in the EPOSS requirements, those for stock and money movements between offices will be reconciled by the POCL Inventory Management System using data provided to it from EPOSS via TMS.

2.2 Pathway will provide the fundamental controls for stock and money brought and carried forward, transaction data and transfers to/from suspense as detailed in the EPOSS requirements as well as facilities to allow permitted reversals and rectifications. Such controls will be available in fallback or recovery after failures.

2.3 The reconciliation of stock and money for transactions will be, in effect, instantaneous, with a record of the levels of stock and money within a stock unit being maintained as the transaction is committed.

## 3. TMS reconciliation requirements



3.1 Pathway will maintain controls on operations including connection to and loss of communications with offices or with other POCL Service components to alert Pathway operational management to situations and/or events requiring its attention.

3.2 Pathway will apply controls on file and data transfers at all technical levels and, using relevant counts and financial totals, at business levels. Pathway notes that POCL will rely on information provided via TMS interfaces to its TIP and IM systems for reconciliation and control of various office business processes.

3.3 Pathway will ensure that information provided to POCL via TIP makes explicit what transaction data has been sent to its clients.

#### 4. Commercial reconciliation requirements

4.1 Pathway will provide information to enable reconciliation of POCL Services provided by Pathway with charges made by Pathway.

4.2 Pathway will act, and be seen to act, as an agent for POCL in reconciliations with other parties, and provide the necessary information for it to exert appropriate management control over operations performed on its behalf:

Pathway will undertake the operational aspects and take responsibilities as each defined in the Contract

Pathway will ensure that the commercial relationships between POCL and third parties are not compromised.

#### Pathway Comment

None

#### Reference No 894

#### Pathway Response

1. Pathway's Management Information System (MIS) will capture the data necessary to facilitate effective contract and service management. It will employ exception reporting for business performance and monitoring reviews.

1.1 Contractual information presented via the business review route will embrace:

a) Service Level Performance (by event, priority, classification and type)

- b) Service Delivery Analysis (by product, function, outlet and role)
- c) Contractual Alerts and Escalations (by Red, Orange and Amber classification)
- d) Systems Operation (by type, performance and availability).

1.2 Information relating to business reviews will be analysed via exception reporting during the life of the event. Where this relates to alerts and escalations it will be supplemented by a declared owning problem/project manager. Critical dependent systems will be subject to full SLA monitoring and reporting via the review forum.

2. Requests by POCL for information during the life of the contract, and relating to service management of the contract, will be handled and processed in an effective and efficient manner. Formal requests for information will be via the business review route and delivered against pre-declared agenda requirements. Please note that Pathway does not commit to providing an MIS service after the life of the contract unless provision for this is explicitly made within the Contract.

2.1 Special and ad-hoc information needs would have to be fully understood and sized before contractual commitment can be made. The scope, volume, timing and frequency of such requests would be part of the task activity before such commitment. Currently this is neither defined or qualified.

3. Pathway will provide information that would facilitate infrastructure activities by POCL in matters embracing resource, network and productivity. Where these topics are an integral part of service delivery events they will automatically be included in the business review forum. Additional or supplementary requests would fall under the criteria of paragraph 2.1 above.

3.1 Data will be available that enables service analysis against the key attributes of POCL outlets. Flexibility will be maintained by making data organisationally independent. Thus any organisational based information will be defined and qualified by construct at the time of information search enquiries.

4. Pathway will, via the review forum, provide service delivery information that would facilitate extrapolation for marketing planning activity. Full trend and plan projections against forecasts and budget could result. Pathway EIS would be an enabler for the task but not a deliverer of it; limited by

current defined requirements. Future needs, by definition, are not known.

**Pathway Comment**

1. Note the caveat at section 2 relating to MIS service after the life of the Contract. What would be the commercial basis of a service "after contract"?

2. There are one or two areas where apparently "open ended" commitments have been requested.

**Reference No 895****Pathway Response**

The POCL Service Architecture will be capable of monitoring irregular encashments and reporting on them. Information will be shared with POCL Audit/Security/Operations when it relates to an Outlet in relation to the following pattern.

1. Daily reports of Transactions at a non-live Outlet i.e. one reported to the Contractor as temporarily out of commission

**Reference No 896****Pathway Response**

Pathway will develop an electronic publishing and communications strategy jointly with POCL to establish the business requirements and feasibility.

You will see by reference to our response to requirement 471, that at first sight that electronic information is not cost effective and does not meet requirements for fallback operation or for situations when staff will wish take paper documentation home to read in their leisure time.

**Pathway Comment**

None

**Reference No 898****Pathway Response**

1. OBCS will be implemented using TMS and OPS and will be based on the current ESNS in use in ALPS post offices.
2. The implementation of OBCS will comply with the Horizon OPS Style Guide.
3. Horizon System Helpdesk support will be provided to all users of OBCS.
4. OBCS will be available at every counter position in every automated outlet, at which OBCS is required, during the normal opening hours of that outlet.

**Pathway Comment**

None

**Reference No 899****Pathway Response**

1. Local Stop List proposal

Pathway propose that a local stop list strategy be adopted in order that the risks and costs associated with maintaining and accessing the entire stop list at every outlet are removed. Each post office will have a local stop list. Foreign Order Book encashments will be checked against remote stop lists accessible via TMS.

For a full description of the manner in which Stop Lists will be maintained see Service Architecture Design Document, Section 4.1.4.2.2.

2. Pathway understand that the maximum size of the stop list will be 1.5 million entries.
3. Pathway understand that the maximum size of a stop list update will normally be 100,000 entries. The Pathway solution for the OBCS stop list is not as sensitive to the size of the stop list as other solutions, such as that used by ESNS. Pathway would require notification if POCL expected the stop list update size to exceed 100,000 entries.
4. Pathway understand that a null content file may be sent comprising solely of header and footer records.

**Pathway Comment**

In proposing this solution to OBCS Pathway have adopted an approach which exploits the distributed architecture of OPS and in addition minimises the volume of data transfer and local processing.

#### Reference No 900

##### Pathway Response

The functionality required of OBCS will be provided in a local counter application which will run on OPS and will conform to the same technical architecture as other OPS supported counter applications.

The Pathway OBCS application will provide a facility to deal with barcoded order books presented for payment for encashment of benefits at automated outlets.

For a full description of the manner in which Order Books will be processed see Service Architecture Design Document, Section 4.1.4.2.3.

##### Pathway Comment

None.

#### Reference No 901

##### Pathway Response

1. When an order book with no barcode is presented for encashment OBCS will prompt the clerk to enter the number of vouchers to be encashed. A default of one (1) will be presented which the clerk can override.

2. As part of the end of day process, each outlet will calculate the number of vouchers encashed for non-barcoded order books. This will be replicated to central TMS which in turn will return this information to DSS.

3. This information will be supplied in accordance with the DSS Client Interface Specification \ OBCS

##### Pathway Comment

None.



Reference No 902

Pathway Response

The Service Levels will be as described in Schedule H08.

Pathway Comment

None.

Reference No 903

Pathway Response

The Service Levels will be as described in Schedule H08.

Pathway Comment

None

Reference No 905

Pathway Response

The Pathway solution for the OPS system includes a facility for linking associated services and product offerings with any particular transaction type, such that the User is prompted to offer customers such services at the time of transaction.

The extent of such additional services to be provided will be agreed with POCL.

Pathway will accept full responsibility for the accuracy and integrity of data supplied to the User through the OPS. The accuracy and integrity of product information and data supplied by POCL and faithfully represented to the User by the OPS shall be POCL's responsibility and liability.

Pathway Comment

None

Reference No 906

Pathway Response

Pathway's roll-out strategy is based upon a geographic area-by-area approach.

Pathway's implementation programme effects delivery and installation of counter equipment on the same day unless specifically requested otherwise. This may be the case for example in large offices where we understand that a weekend installation is preferred.

Referring to the text of the requirement, it should be noted that we have not interpreted "new" terminals to mean "unused" terminals. Pathway may supply equipment which has been used in other post offices, particularly in the case of office relocation, upgrade or other changes.

Pathway confirms that Installation covers physical placement, connection to the system and testing.

**Pathway Comment**

None

**Reference No 911**

**Pathway Response**

Pathway confirms that it will maintain accounting and reporting integrity across changes in the versions of operating software and hardware. Such changes will include upgrades or rollbacks of whole POCL Services or other subsystems, changes to software and reference data, operating controls and so forth.

This will include implementation of changes to effect rollback to a previous version, and operation of the whole POCL Service where parts have been updated or rolled back. Reference data shall be upgraded or rolled back in step with the objects or operations to which it refers.

Each transaction will be matched against the version of the product that was active at the time of the transaction. This link will be maintained to allow transactions against different versions of a product to coexist and be correctly accounted for.

**Pathway Comment**

None

**Reference No 912**

**Pathway Response**

1 Pathway will arrange for the electrical safety testing of all of its equipment installed on POCL's sites enabling POCL and Postmasters to meet their legal obligations under the Electricity at Work Regulations 1989.

## 2 The Regulations

2.1 The Electricity at Work Regulations 1989 are a statutory instrument arising from the Health and Safety at Work Act 1974. The purpose of the regulations is 'to require precautions to be taken against the risk of death or personal injury from electricity in work activities'.

2.2 The regulations impose duties on employers in respect of 'systems, electrical equipment and conductors and in respect of work activities on or near electrical equipment'.

2.3 To meet the requirements of the regulations, which came into force on 1st April 1990, it is necessary to assess all electrical equipment, including information technology equipment, with a view to eliminating possible hazards. In practice this will usually necessitate a program of recorded inspections and where appropriate, tests.

2.4 Full and accurate records must be kept, if for no other reason than the 'duty holder' can demonstrate that 'all reasonable steps were taken and all due diligence exercised to avoid the commission of an offence under the Act'.

2.5 The onus for compliance is with the employer, who is responsible for the correct use of the equipment and the safety of employees. The regulations define the employer or his nominated employee(s) as the duty holder.

## 3 Scope of the service

3.1 The Electricity At Work Inspection And Test Service enables Pathway's customers to meet their legal obligations under the Electricity at Work Regulations 1989.

3.2 The service provides for inspection, test and labelling of each item of electrical equipment. Full records will be presented to the customer on completion of the service.

3.3 During the service, the Pathway service deliverer will carry out the following activities:

Visual inspection of all Pathway installed equipment and mains cords on the customer site

Tests systems on the customer site using appropriate tools and test equipment. Testing of each item is undertaken by application of the relevant test procedure

Attaches a colour coded sticky label to each item inspected and tested to indicate success (of inspection and relevant test) or failure

Replaces faulty detachable mains cords, incorrect value fuses and damaged plugs

Re-terminates plugs where necessary

Renders inoperative any electrical item which fails the inspection and test and brings this to the attention of the customer and arranges for its replacement

Records test results against a unique identifier for each item

3.4 Once these activities are complete the service deliverer provides the Postmaster with the test results. Test results will also be made available to POCL and will be maintained in Pathway's database.

3.5 The service is delivered during normal office hours, however, Pathway may agree to provide the service outside those hours on request. The schedule for safety test visits will be agreed in advance with Postmasters and POCL's Service Managers.

3.6 All remedial maintenance work carried out on site will comply with the standards prescribed and will ensure that the requirements of the Act continue to be met upon return to service.

3.7 Pathway will report on the progress of its safety test schedule at each monthly service review meeting.

#### Pathway Comment

The regulations apply to all items of electrical equipment on the site. Pathway will be pleased to quote for the extension of this service to cover all other electrical items not supplied by Pathway.

Reference No 913

#### Pathway Response

##### 1 Introduction

ICL Pathway will provide one paper and one diskette copy of the PPDs to the POCL Self Service and publishing Team covering all

automated transactions. This will be suitable for incorporation by POCL into the Operations Manual.

## 2 Availability

### 2.1 The users of the POCL Services are:-

All Outlets, Head Office, Business Centres, Central Services and Regions (including Regional Helplines) and Retail Network Managers.

### 2.2 Other Users

The Operations Manual is despatched and readily accessible to all users outlined at 2.1. The Operations Manual is in booklet form and will be available to users at all times.

### 2.3 Contingency/Disaster Recovery Arrangements

Part of the Operations Manual will contain comprehensive fallback and recovery procedures needed to perform transactions in the event of a system failure.

## 3 Content of User Documentation

POCL will add the clerical procedures to the ICL Pathway provided automated procedures. To provide a complete set of operational procedures for staff at Post Offices and other outlets. This will be subject to POCL Client Managers approval.

## 4 Accuracy of Information

Accuracy of content in the existing manual is confirmed by POCL Client Account Managers and in some cases, Clients prior to publication and distribution by the POCL Self Service and Publishing Team. Following receipt from ICL Pathway's Technical Authors, POCL Self Service and Publishing Team will interleave the automated procedures with the current procedures for approval by POCL Client Account Teams. POCL Self Service and Publishing Teams will return amendments to ICL Pathway within an agreed timescale.

## 5 Design of Document

### 5.1 Visual Identity

The POCL Self Service & Publishing Team have constructed templates to accommodate inclusion of the ICL Pathway



"flowchart" style to the operations manual while ensuring the POCL Design Application Guidelines and Visual Identity Policy is maintained. ICL Pathway technical authors will provide the automated transaction data in the format agreed with the POCL Self Service and Publishing Team.

## 5.2 Communications Policy

The POCL Self Service & Publishing Team confirm documentation produced will conform to the POCL communication policy as outlined in the "A guide to Head Office Communications Team" document. The POCL Self Service & Publishing Team will conform to the POCL Environmental Policy when interleaving ICL Pathway automated transactions to the operations manual.

## 6 User Documentation for New Product/Service

### 6.1 Notification of Requirement by POCL

ICL Pathway expect the majority of planned documentation changes to be the subject of a Product or Service Introduction Plan for each new product or POCL Service to be introduced on to the automated platform. The Product Service introduction plan will detail timescales needed for production of new documentation for the automated platform.

### 6.2 Drafting of Documentation

The final copy of user documentation for a new product or POCL Service shall be provided to the POCL Self Service & Publishing team for notification to all system users, initially by the Counter News medium and subsequently by inclusion in the operations manual.

### 6.3 Final Approval by POCL

Final Approval of all updated user documentation shall be made a number of days before the implementation of that particular change, the timescales to be agreed by POCL and the contractor at the time of agreeing such changes. For routing additional and changes approval will be required within 15 days of the implementation.

6.4 The POCL Self Service & Publishing Team will provide information of new products and services prior to introduction via the weekly POCL Counter News operational document which is currently used for such purposes.

## 7 Updating User Documentation

## 7.1 Planned Changes

### 7.1.1 Notification of Changes by POCL

ICL Pathway will be notified of planned changes by the appropriate authority within POCL in accordance with the timescales described in paragraph 7.1.1 of the requirement. This will be carried out in conjunction with POCL Self Service and Publishing Team. All system users will be provided with a change notification in the POCL Counter News medium and subsequent inclusion in the automated operations manual as appropriate.

7.1.2 ICL Pathway will be notified of final updated user documentation a number of days before that particular change, in accordance with the timescales described in paragraph 7.1.2 of the requirement. This will with POCL Self Service and Publishing Team. All system users will be provided with a change notification in the POCL Counter News medium and subsequent inclusion in the automated operations manual as appropriate.

7.1.3 The same procedures as at 6.3.

7.1.4 The POCL Self Service & Publishing Team will provide updated user documentation by the Counter News medium immediately prior to introduction. A subsequent addition to the operations manual will be provided within the agreed timescales. A 10 day lead time for each weekly edition of Counter News.

7.2 ICL Pathway commits to making emergency documentation changes to the PPDs available to POCL within 24 hours of notification. Pathway are able to alert system users by way of 'on screen' messages to consult relevant documentation concerning such changes. This will map the same lead time as Counter News e.g. 10 days notification on a weekly cycle.

8 [Not used]

## 9 User Satisfaction

### 9.1 Frequency of Monitoring

POCL Self Service & Publishing Team would recommend the formulation of a user group, formed of ten people from branch and agency outlets to meet at quarterly intervals to review the effectiveness of the new manual, covering the subjects outlined

at 9.3 of this document. This will be the responsibility of the POCL Self Service & Publishing Team.

## 9.2 User Satisfaction Targets

Measurements should be made by market research telephony or an equivalent form of data gathering procedure on at least an annual or ideally a twice a year basis. The number of outlets contacted should be statistically valid and recognised as an acceptable vehicle for user satisfaction monitoring. The results of the monitoring must be targeted to produce an acceptable user satisfaction rate of 90%. Notification of results will be provided to ICL Pathway.

9.3 Areas to covered in the User Satisfaction Survey will include:

- a) Ease of use of the manual.
- b) Effectiveness of the manual.
- c) Satisfaction with Layout, Style and Language.
- d) Quality and Clarity of text.
- e) Quality and understanding of Graphics.
- f) Accuracy and comprehensiveness of index/indices and cross references.

## Reference No 914

### Pathway Response

#### 1 Introduction

1.1 This response documents the key service characteristics of the Horizon System Helpdesk service.

#### 2 Helpdesk Service

##### 2.1 General

2.1.1 The Horizon System Helpdesk will provide a single point of contact providing assistance and fault management to Help Desk Customers. Help Desk Customers will include Users and those of POCL's Clients with access to the POCL Services supported.

2.1.2 The Horizon System Helpdesk service will embrace fault management, advice and guidance and overall operational service management, information and administration. It will

operate a full call logging service 24 hours per day, 365 days per year (except Christmas Day).

2.1.3 Contact with the Horizon System Helpdesk will be by 'local-call' telephone (e.g. an 0345 number). The average response time will be targeted at 80% of all calls answered within 20 seconds and 99.9% targeted to be answered within 40 seconds. A target of less than 5% of calls during peak hours will be abandoned calls. The percentage of 'calls not answered' shall be less than 1%. This includes calls where the line is busy as well as calls answered but put on the 'waiting queue'.

2.1.4 Three levels of service will be provided extending from Level 1 addressing simple calls through more complex level 2 calls to level 3 calls which involve support from outside of the help desk environment.

2.1.5 Operational Service availability, details of scheduled interruptions and progress towards full service resumption will be communicated by the Horizon System Helpdesk to its customers. The Horizon System Helpdesk management team will assist POCL in negotiating scheduled interruptions to service with the Help Desk Customers.

## 2.2 Level 1 Service

2.2.1 Level 1 calls may be categorised as those which are relatively simple and straightforward to explain and diagnose and which can be fully resolved in less than 10 minutes by the call taker who will have sole responsibility for the call's progress to resolution.

2.2.2 As end-users become more familiar and experienced with Pathway's systems, the time required to explain simple resolutions will decrease and may approach an average of 5 minutes. Calls taking longer than 10 minutes to resolve will be categorised either as Level 2 or will signify a potential skills problem within the Horizon System Helpdesk or the post office. Calls identifying potential skills problems will be evaluated by Pathway and raised for discussion at the monthly service review meetings.

## 2.3 Level 2 Service

2.3.1 Level 2 calls will generally be more complex problems and potential faults. The Horizon System Helpdesk will make extensive use of 'Expert Systems' diagnostic tools to assist in their resolution and these may require more detailed and extensive analysis, taking more time.



2.3.2 Calls are transferred to Level 2 electronically within the same help desk Call Management System. All of the details of the call are preserved and available at Level 2. Calls at all levels are presented to the diagnosticians in the form of a prioritised stack of outstanding work-in-progress.

2.3.3 Typically, Level 2 problems will take less than 30 minutes to resolve but in extreme cases may take longer, up to 45 mins. Much of the diagnosis will be carried out 'off-line' from the originator, and may involve one or more interim telephone calls from the Horizon System Helpdesk to clarify symptoms or elicit extra information.

2.3.4 Level 2 calls will be analysed to identify trends and patterns which may indicate the need for improvements in the diagnostic process. New problems identified will always be analysed to determine whether an appropriate Level 1 solution is possible to save time in future instances.

2.3.5 As for Level 1, Level 2 calls which take longer than 45minutes to resolve will be categorised either as Level 3 or will signify a potential skills problem within the Horizon System Helpdesk or the post office. Calls identifying potential skills problems will be evaluated by Pathway and raised for discussion at the monthly service review meetings.

## 2.4 Level 3 Service

2.4.1 Level 3 service is invoked when the call can not be fully resolved wholly within the Horizon System Helpdesk but requires escalation either to a higher level of technical support or to an engineer to perform a maintenance visit.

2.4.2 Calls will be transferred to Level 3 support electronically complete with all of the details of progress made at levels 1 and 2. Calls will be prioritised and categorised so that they can be actioned within standard agreed timescales.

2.4.3 All level 3 calls will be monitored to ensure that the Service Level Agreement is met. The call will also continue to be monitored post resolution to ensure that repeat or intermittent failures are identified as quickly as possible.

2.4.4 Level 3 calls will be analysed to identify patterns and trends of failure either within specific Outlets or with system items.



## 2.5 Hours of Service

2.5.1 Pathway will provide a continuous call logging service 24 hours per day every day of the year except Christmas day.

2.5.2 A full Horizon System Helpdesk service is required during the POCL Core Day. A skeleton help desk service shall be provided between 05:00 and 08:00 and between 20:00 and 24:00, Monday to Saturday, and between 07:00 and 22:00 on Sundays.

2.5.3 Calls may be received directly from users or from POCL help desks and help lines. Calls received which are outside of the responsibility of the Horizon System Helpdesk will be transferred to the appropriate authority.

2.5.4 The hours of service may be changed on request given 2 working days notice. Emergency cover may be provided at 5 hours notice.

## 2.6 Problem Management

2.6.1 Pathway will employ a specially developed Problem Management System to log and manage all calls to the Horizon System Helpdesk. The system is an enhanced version of one of ICL's current call management systems.

2.6.2 The system data model is comprehensive and records all of the necessary data associated with calls during their life. Call data is recorded as a collection of 'progress details' each date and time stamped and 'signed' by the call taker providing a complete audit trail.

2.6.3 The system will maintain call details including the following :

- Problem Site Identifier

- Call serial number (combined with Site ID provides unique call identifier)

- Site details such as address, telephone number and Postmaster's name

- Site contact name

- Date and Time problem occurred

- Date and Time problem reported

- Horizon System Helpdesk contact

- Problem description

- Problem Type (such as Hardware, Software, Advice & Guidance etc.)

Identity of any equipment or software associated with the problem

Reported and assessed impact on the Help Desk Customer's business

Priority of the call

Estimated Fix time (for level 3 calls)

Current actionee within Pathway

Referral details

Progress information (date and time stamped and attributed)

Call resolution actions

Date and Time equipment returned to service

Date and time call closed (accepted by the Help Desk Customer)

2.6.4 The Horizon System Helpdesk system also contains details of engineer schedules. It provides an interface to the 2-way radio paging system used to assign calls to engineers and to the spares system used to control the allocation of spares.

2.6.5 The problem management system will also be used to record and manage incidents relating to systems operational problems including those associated with the uploading and downloading of data to post offices and interfaces to POCL and POCL Client systems.

2.6.6 All calls will be given one of three priority classifications depending upon the impact and urgency of the problem with respect to the caller's business :

A Caller's business is disrupted and cannot continue normal working

B Caller's business is impaired but a work around is available

C Caller's business is suffering only minor inconvenience

2.6.7 Throughout the life of a call, the Horizon System Helpdesk staff will monitor its progress. The Help Desk Customer will at all times know precisely what is expected to happen next by regular updates of progress. The Horizon System Helpdesk will always advise the customer of any changes.

2.6.8 All aspects of the operation of the Horizon System Helpdesk will be comprehensively documented in a manual of procedures which will be agreed with POCL and which will be maintained in accordance with Pathway's objective of registration to ISO9000 quality standards.

2.6.9 Major incidents, such as the total failure of systems within a post office, will immediately be classified as alerts and will be assigned to a problem manager. All alerts will be managed in accordance with agreed documented procedures covering all aspects of the fallback operation of the Outlet, including the re-allocation of its responsibilities to other Outlets.

2.6.10 A problem will remain open at the Horizon System Helpdesk until agreed with its originator that it has been resolved satisfactorily. The call will continue to be monitored even after closure to ensure that a repeat or consequential problem is not reported.

## 2.7 Systems and Services Supported

2.7.1 In addition to the problem and call management database, Pathway will create and maintain databases containing user, asset, configuration and change management information.

## 2.8 Resilience

2.8.1 The Horizon System Helpdesk will operate a fully resilient service across two geographically remote sites with duplexed database servers, networks and telephony systems and separate telephone exchanges and electrical power supplies.

2.8.2 Each site will normally accommodate half of the Horizon System Helpdesk staff and management team but will have spare capacity to accept increased workload in the event of disaster at the other site.

2.8.3 The sites will be served by dual telephony and Automatic Call Direction equipment which will perform call load balancing between them.

2.8.4 Each site will be connected with Pathway's central systems via dual high speed carriers and will be resilient to single network, system or site failures.

## 2.9 Training

2.9.1 During Roll-Out, Pathway will deliver training to POCL staff. This training documentation and POCL's Horizon User Guide will include guidance on how to make most effective use of the Helpdesk services.

2.9.2 Simple step by step instructions will be documented in the operational procedures manual known as the Horizon User

Guide, a hard copy of which will be produced and distributed by POCL to each post office.

2.9.3 The Horizon System Helpdesk staff will receive in depth training in all of the operational systems.

2.9.4 The staffing levels at the Horizon System Helpdesk will be set to accommodate peak workload resulting in periods during the shifts where activity is relatively light. These periods will be used by staff for skills development and training.

## 2.10 Personnel

2.10.1 Pathway will ensure that all Horizon System Helpdesk managers and staff have the appropriate skills and experience. Each member of staff will receive in depth training in Pathway's solution and operational procedures.

2.10.2 All staff will have individual personal development programmes and training plans recording their progress in achieving progressively higher standards of skills.

2.10.3 Staffing levels will be set to accommodate workload peaks, staff absence due to sickness and holidays and natural wastage.

## 2.11 Service Targets

2.11.1 Pathway proposes that service targets should be established as follows.

- 80% of calls answered within 20 seconds
- 99.9% of calls answered within 40 seconds
- Calls not answered < 1%
- Abandoned calls (where the caller rings off) < 5%
- 95% of Level 1 calls resolved within 5 minutes
- 100% of Level 1 calls resolved within 10 minutes
- 95% of Level 2 calls resolved within 30 minutes
- 100% of Level 2 calls resolved within 45 minutes

## 3 SERVICE MONITORING

### 3.1 Service Performance Statistics

3.1.1 The Horizon System Helpdesk service will be monitored and reviewed over monthly periods. Statistical evidence of its performance against agreed measures will be produced by



analysis of the data captured by the Horizon System Helpdesk system and by the telephony system.

3.1.2 The analysis will be presented to POCL in an agreed format within 2 working days of the end of the period.

3.1.3 The data upon which the analysis is made will be maintained within a relational database system supporting standard SQL enquiries. This will enable Pathway to view the data in a flexible way and provide reports based on problem type, Help Desk Customer group and location, closure time, etc.

3.1.4 Pathway will make extensive use of this data to identify actions to improve process efficiency and effectiveness.

3.1.5 Help desk records will be maintained for a minimum of 18 months.

### 3.2 Help Desk Customer Satisfaction Surveys

3.2.1 Pathway will be pleased to participate with POCL in devising and conducting quarterly Help Desk Customer satisfaction surveys.

### 3.3 On-line Access and Ad-hoc reports

3.3.1 Pathway will be pleased to discuss the provision of on-line access to its problem management systems for named representatives for the purposes of planned audit and inspection.

3.3.2 Reasonable requests for single ad-hoc service reports will be welcomed and will normally receive a response within 3 working days.

#### Pathway Comment

1 It is not clear from the requirement what is the purpose of POCL's request for on-line access to the Problem Management System.

2 The number, nature and frequency of the requirements for ad hoc reports is unclear and needs further clarification.

Reference No 915

#### Pathway Response



## 1. Introduction

The training requirements for POCL training is set out in the document Training Needs Analysis reference SU/TRN/0001 and the Training and User Awareness Baseline document reference BP/TRN/001. As documented in the Training and User Awareness Baseline document the Contractor will provide a maximum of 12,600 courses. Within this limit the Contractor will provide a maximum of 5,504 one day Counter Assistants Course and a maximum of 7,004 one and a half day Managers Courses. The balance of the 12,600 courses are made up of specialist courses. These courses are described in both the Training Needs Analysis document and the Training and User Awareness Baseline document. A further breakdown of course types and allocation are detailed below.

### Total training breakdown:

*Managers course	1.5 days	7,004 events
*Assistants course	1.0 day	5,504 events
*Train the trainer	5.0 days	25 events
*Auditors course	2.0 days	34 events
POCL helpline	1.5 days	33 events

Total offering 12,600 events

### Key:

\*Managers course = Branch managers, Assistant Branch manager (ABM), Postal Officer Assistant Branch manager (POA), subpostmasters, franchise managers, nominee managers, Head of Retail Networks (HORNs), regional support staff, relief or deputy managers, Retail Network Managers, Outlet managers, POCL User acceptance team, POCL staff who perform stock unit balancing, and nominated POCL staff and officers.

\*Counter Assistants course = Postal officers, Counter Clerks, subpostmaster's assistants and franchise staff

\*Train the Trainer = POCL and agency trainers

\*Auditors course = national and regional audit teams, POCL security and investigators

POCL Helpline = POCL Helpline staff and managers

Key measures identified by the Contractor and agreed with POCL will be used to assess the effectiveness of the training programme as a whole. This is documented in the Training Evaluation paper reference SU/TRN/005.

## 2. Training Services

### 2.1 General

The Contractor and POCL shall agree acceptable standards of competencies in the use of the automated platform. The Contractor will be responsible for training POCL and agency trainers to an acceptable standard. However it will be the responsibility of POCL to ensure quality and competence levels are maintained both by non Contractor Trainers and their delegates.

The Contractor will be responsible for designing and developing course materials/training event to POCL's approval. Any Updates to training or additional supporting documentation will be supplied by the Contractor and approved by POCL. This will be provided to those Outlets Rolled Out subsequently as part of national Rollout. Style and layout of training workbooks and supporting materials are documented in the Training and User Awareness Style Guide, reference PATH/PUBS/001.

### 2.2 Specific Responsibilities

POCL will mandate training for Users i.e. Outlet Managers, Subpostmasters and Counter Assistants or Counter Clerks in accordance with POCL's Policy for Releasing Individuals to Attend Training (CAR response number 531.000.03), document reference BP/PRD/007.

It is not envisaged that "day to day" development of training materials will be required although ongoing quality assessment and maintenance will be undertaken by the Contractor.

The Contractor will ensure that all nominated parties are advised of training activities. Such periods of notification, content thereof and identification of nominated parties shall be POCL's responsibility prior to Contract Award.

Management of training will be the responsibility of the Contractor in liaison with POCL. However Training Invitations, Site selection/preparation and provision of equipment will be the responsibility of the Contractor.

Management information (training) will be the responsibility of the Contractor. Information passed to POCL shall be defined by POCL and subject to change control procedures.

Attendance of regular training review meetings will be the responsibility of the Contractor and will be part of the overall implementation review process. Training is an integrated part of the implementation and roll-out programme therefore it is not envisaged that the training will be isolated from project reviews.

Agreement and sign off by the Contractor will be part of the implementation plan.

Monitoring and review of performance will be jointly undertaken by the Contractor and POCL. This will be via standard and agreed report formats within agreed timescales.

Identification of improvements to the training programme will be part of an approved quality process and is part of the Contractor's responsibility.

### 3. Key Measurables

#### 3.1 Timeliness

The Contractor shall ensure that training is delivered in accordance with the Project Plan. Such training will be completed no more than 5 working days before live usage, and be complete no less than 1 working day before live usage.

#### 3.2 Quality

Course delegates will be requested to complete a questionnaire on the training environment, and the Contractor shall achieve not less than 85% satisfaction. Details of processes and procedures to support ICL Pathway training environments are documented in the Training Venue Administration document reference PATH/PRO/0004.

The Contractor shall not be responsible for adverse comments/user dissatisfaction relating to POCL's premises.

The Contractor shall agree positive training matrices with POCL prior to contract award. The Contractor shall ensure 95% compliance with these matrices as measured through satisfaction questionnaires as defined in ICL Pathway's Training Evaluation paper reference SU/TRN/005.

#### 3.3 Cycle Time

Training should take no longer than a period of 1.5 days for Outlet managers, subpostmasters and 1.0 day for counter

assistants or Counter Clerks. This will be a continuous event held during the day and off site. All trainees are to achieve the minimum standard of competence as described in POCL's document reference BP/PRD/006. It is the Contractor's responsibility to achieve the overall agreed level of competence e.g. 90% for knowledge related areas for transactions of the automated platform relevant to a specific Outlet.

Training will be offered to Users, who do not make up the ratio for minimum training compliance, up to individual site acceptance and during the Horizon Field Support Officer visit. This will be offered on an exception basis at the time of training invitations i.e. 4 weeks from installation. Remedial training will also be offered to Users during this period who fail a competency test and who do not make up the ratio for minimum training compliance. Thereafter all outstanding or ongoing training will be the responsibility of POCL. This training will be delivered to either new or existing Outlet Users. Update training or CSR+ training of existing Users will be the responsibility of POCL. CSR+ training for Users at Outlets which have not been Rolled Out will be the responsibility of Pathway as part of the standard national Rollout training programme. Subsequent updates and new product training will be the responsibility of POCL unless the Contractor takes on this responsibility in accordance with the Change Control Procedure.

### 3.4 Contingency/disaster recovery

Notification of course cancellations by POCL must be issued within an agreed timescale between the Contractor and POCL. A minimum of 48 hours notice must be provided for 98% of cases. The same will apply if the Contractor cancels a course with notification of an alternative date.

The Contractor shall not cancel more than 2% of the scheduled courses in accordance with the implementation Roll-Out plan. However if an installation is cancelled due to POCL changes then this is the responsibility of POCL and should not be included in the 2% targeted for the Contractor.

It is the Contractor's responsibility to reschedule alternative training venues if a site becomes inoperative at no extra cost to POCL unless a POCL venue has been agreed and an alternative is required.

### 3.5 Data Accuracy and integrity



There will be no reduction in system performance as a result of training mode being used. Training mode will be used in the same way as live mode with the exception of "training" stock data.

It is the Contractor's responsibility to ensure there are no factual errors at the time of acceptance and release.

### 3.6 Competence levels

It is the Contractor's responsibility to meet the agreed objectives/competence level of the course and for delegates to demonstrate this capability as part of an end of course review. A competence test will be carried out at the training event to meet the agreed competence level of 90% for knowledge related areas for transactions of the automated platform.

The Contractor shall agree competence matrices with POCL prior to contract award. The Contractor shall ensure 90% compliance with the matrices as measured through a competence test. The Contractor has the responsibility to meet level 1 of the standard Kirkpatrick model. This will be achieved by the end of course review/appraisal. Level 2 of the standard Kirkpatrick model will be met by the end of course competence test.

### 4. Communication

It is POCL's responsibility to provide agreed format on performance criteria along with written permission from franchise Outlets that assessments can be carried out on their staff. For POCL staff, subpostmasters and assistants ICL Pathway will notify Users that data will be gathered on individual performance and distributed to POCL for analysis.

It is also POCL's responsibility to certify that managers of franchise, Sub-Post Offices, POCL offices and multiple franchise Outlets, ensure competency of their staff, and to further ensure that their staff apply due diligence and professional standards of care to ICL Pathway systems and services.

POCL Regional reports will be defined by POCL and agreed with the Contractor. Reports will be provided by the Contractor in a timely manner to a nominated contact. These will be distributed within 5 working days for each Region at the end of each month. 24 hour competency failure reports will be supplied to POCL by the Contractor for immediate action by POCL. Response by POCL will be within 24 hours or the next working



day. This is detailed in ICL Pathway's Training Scheduling and Minimum Training Compliance document reference IM/REQ/014.

It is the Contractor's responsibility to provide training invitations to a nominated contact within the Outlet 4 weeks prior to the proposed training event. It is also the Contractor's responsibility to confirm attendance in writing at least 1 week prior to the training event. This is detailed in ICL Pathway's Training Scheduling and Minimum Training Compliance document reference IM/REQ/014.

#### 5. Monitoring Training Services

Monitoring of training services will be carried out as part of the implementation programme. It is the Contractor's responsibility to supply information to POCL in an agreed format and to agreed measures. This format will be subject to Change Control Procedure.

#### 6. Training Review Meetings

It is the Contractor's responsibility to hold regular management meetings to review progress and performance. This will be carried out on a regular basis and to an agreed timetable.

Regular review meetings regarding implementation should be the responsibility of both the Contractor and POCL.

#### 7. Escalation Procedures

Failures in Service Levels will be the responsibility of the Contractor and POCL's nominated SLA manager to resolve.

Issues or actions which fail to be rectified will be passed to the agreed Contractor and POCL's service management team for escalation.

#### 8. Change Management

Progressing (through the Change Control Procedure) permanent variations to the agreed Service Levels and/or the training services provided will be managed as part of the implementation programme and will be the responsibility of the Contractor.

#### Pathway Comment

None.

**Reference No 918****Pathway Response**

1. Pathway recognises the importance of a partnership approach to communications and we are keen to establish a close working relationship with the POCL Communications team who will be managing this activity.
2. Pathway recognises the strategic need for the partnership to be responsive to events as they occur, and accordingly we recommend that the partnership is empowered to a level agreed between POCL and Pathway.
3. The partnership will need to be comprised of suitable staff from the POCL Communications Team and Pathway.
4. Pathway acknowledges that POCL shall retain the right of veto on all communications, marketing and education for all Customers, POCL employees, Agents and their staff.

**Reference No 921****Pathway Response**

1. The Pathway solution for OPS will provide a secure timeout facility for counter PC's and Back-Office PC's. This will comprise a user activated timeout which will enable the user to clear the screen and leave the terminal for a short (configurable) period. The user session is reactivated by the user entering their password. Any applications are left active.
2. The clerk will reactivate their session by entering their password.
3. The display presented when the timeout facility is activated will be different to any normal desktop or application screen.
4. Should the clerk who initiated the timeout be unable to re-activate the facility, the following actions may be taken :-

After a configurable period of time during which there is no active session it will automatically log-out. A journal message will be created indicating this.

. The postmaster may assume responsibility for any uncompleted session, the stock unit or share thereof, by entering his own user name / password.

Once the terminal has logged-out any authorised user may then use that terminal.

All the above events will be written to the journal.

**Pathway Comment**

None

**Reference No 922****Pathway Response**

Pathway confirms that the acoustic noise emission of any item of OPS equipment supplied by Pathway will not exceed 60dB(A) measured at a distance of 1 metre.

**Pathway Comment**

None

**Reference No 925****Pathway Response**

None

**Pathway Comment**

None

**Reference No 926****Pathway Response**

1. Pathway confirms that all rollout plans and changes to the plan will be agreed with POCL but POCL shall not unreasonably withhold consent and shall not in any case withhold consent if so doing would cause Pathway to fail to meet its obligations under the Codified Agreement.

2. Pathway reserve the right to change functionality at its discretion, subject to maintaining contractual obligations and service levels.

3. Operational change procedures shall be defined for the Rollout programme, which should embrace any expected change to service aspects.

4. Service Level measurement during rollout will be skewed due to instability; suspension of rollout based on failure to meet service levels needs to account for this and POCL should advise which Service Levels will determine rollout suspension prior to contract award.

**Pathway Comment**

None

**Reference No 938****Pathway Response**

Pathway responsibilities

Pathway will be responsible for:

Ensuring that any information supplied under the Data Protection Act 1984 (DPA) is accurate and providing assurances to that effect.

Delivering any information requested under the DPA to the requesting body or person as appropriate.

Pathway will:

Comply with changes in the DPA (after 15 May 1996), or related EC laws, or recommendations having the force of law.

In particular, record all written requests for a data protection print from a customer or authorised representative, within five (5) days of receipt of such request and deal with queries raised within a timescale to be agreed with POCL.

Make available for authorised inspection all information provided under the DPA.

Retain records of requests and responses made under the DPA according to requirements of the DPA.

**Reference No 941****Pathway Response**

Pathway confirm that the dates for Rollout will be agreed with POCL given that POCL will not unreasonably withhold their consent to such agreement.

Pathway will treat Northern Ireland as a discrete area for the purpose of rollout.

**Pathway Comment**

None

**Reference No 945**

**Pathway Response**

None.

**Pathway Comment**

During the Rollout we do not wish to and can see no reason why we should provide POCL with the serial numbers of the equipment installed as this is clearly our responsibility. In this respect we could be non-compliant with this part of the requirement. The Contractor is charged with the maintenance and management of all counter equipment supplied under this agreement. Configuration management thereof (including serial numbers) remains the Contractor's responsibility, and the Contractor agrees to make available this information to POCL on a periodic basis.

**Reference No 949**

**Pathway Response**

Pathway confirms that it is able to provide a complete training service if required. Currently Pathway is providing Counter staff training and support together with POCL Train the Trainer events.

Clarification is needed to understand what is meant by total training which refers to all of POCL's training requirement and not just those required to support the POCL Services under the Codified Agreement.

Pathway is assuming that although the capability to provide total training is sought the option will be exercised through the Change Control Procedure and the additional costs are not included in the Charges as at the date hereof.

**Pathway Comment**



The requirement as stated is very vague and the scope as stated may be greater than was really intended. Prices are not being included within the Charges as at the date hereof.

**Reference No 951****Pathway Response**

Pathway will develop and maintain a document describing the POCL Service Architecture.

Pathway confirms that it will, as a minimum, specify:

- the major components, provided directly or subcontracted, used in providing the services
- the functionality within the major components
- the interfaces between the major components
- the design service levels of those interfaces
- all interfaces with POCL's systems and with other parties

Pathway notes that the audience for this document will be technical staff within POCL and that it should be self contained, although probably referencing other documents to provide further levels of detail. Pathway affirms that the level of detail within the document will be such that it gives a thorough background to the construction of the services and the rationale for the approach, and notes that a length of 200-400 pages is anticipated.

**Pathway Comment**

None

**Reference No 952****Pathway Response**

The OPS will support a reliable, secure and encrypted means for the transfer of data that may subsequently be used for cryptographic applications at the counter.

The cryptographic services within the Pathway solution can be considered in three groups:

- \* services covering post office traffic from and to POCL and POCL Clients on the one hand and the Pathway Central Services Layer on the other

- \* services covering the authentication of the Point to Point connection between the TMS layer and the post office
- \* services covering transaction traffic to and from the Central Services Layer and the OPS and at the OPS itself

This requirement response describes the means by which keys are distributed for the last group. The methods described are subject to detailed agreement with HMG (CESG).

The OPS related cryptographic services comprise:

The selective digital signature and authentication of files or transactions to or from the correspondence layer. The purpose here is data integrity - to prevent tampering or non-malign loss or injection of data.

- \* Data will be transmitted in clear. Data will be digested using a CESG-approved hashing algorithm called SHA and this digest used to produce a digital signature using a companion algorithm called DSA which uses asymmetric key pair techniques. It is expected that a key length of 768 bits will be used. The keys used will be session key pairs renewed periodically, probably half-yearly. The session keys will be transported using the CESG-approved modified Diffie-Hellman algorithm and relying on master key encryption. Methods of master key encryption will be agreed with POCL and CESG. The options include secure factory installation into the OPS equipment by Pathway of the initial key protected by Microsoft Windows NT's accredited access control. Alternatively first installation will be via security accredited personnel, using manual keys transported securely or by IC memory card, and input using specific role protection. Renewal of master keys may use similar manual or IC memory card-based methods.

The encryption and decryption of data stored on disk. The purpose here is privacy - to prevent disclosure of sensitive data.

Similarly, the keys used will be single session keys, managed using the same key distribution methods as described above.

Data will be enciphered and deciphered using a CESG-approved symmetric algorithm called RED PIKE.

Note that such data will only be enciphered for OPS journal write and deciphered for OPS journal read. Replication of a journal entry to and from TMS will be in clear.

Use of cryptographic protection, particularly for transactional data transfers, and transfers requiring digital signature computation at the OPS will require exceptional service level agreements.

**Pathway Comment**

The Security Functional Specification is a CCD covering agreement on the above.

**Reference No 953****Pathway Response**

1. The Pathway solution to OPS supports concurrent access to its POCL Services by providing each working post office counter with a PC configuration comprising peripherals and the counter application set required for that outlet.

2. The precise requirements for back office reports have yet to be agreed, but in general terms details including date/time, clerk identifier and transaction number can be included to ensure clarity and status of data printed on back office reports and activity at the counter.

3. The Pathway solution for OPS is based on a PC infrastructure configured such that multiple activities within an outlet do not significantly impact on each other. In particular back office processes ( e.g. report production) will be operate on a logically consistent set of data which will not be affected by any concurrent counter transactions.

**Pathway Comment**

None

**Reference No 956****Pathway Response**

Business supported across the boundary

Pathway confirms that it will provide the OBCS in accordance with the description given in the Service Architecture Design Document.

Pathway understands that its service responsibilities extend to:

transport of ESNCS-created data transfers and associated information (e.g. reference data) from the ESNCS service to its own POCL Service (OBCS) along with all subsequent processing. This to normally include detecting the availability of such data transfers and data on the ESNCS service. Pathway interprets this to mean that Pathway will normally "pull" files to itself

provision of all responses to such data transfers where required (e.g. acknowledgements) along with delivery to the ESNCS service. This is interpreted as including the "pushing" of files back to ESNCS

transport of OBCS-created data transfers and associated information from OBCS to the ESNCS service and notification of their availability. Pathway interprets this to mean that Pathway will normally "push" files from itself

Pathway confirms that the technical nature and implementation of the ESNCS to OBCS connection is specified in "OBCS Access Service (VME) Release 0100 System Interface Definitions".

**Pathway Comment**

None.

**Reference No 960**

**Pathway Response**

1. EPOSS will support zero-value transactions to:

- a) record volumes of transactions for clients, such as Royal Mail and Parcel Force
- b) record the distribution of various forms
- c) record customer enquiries, requests, incomplete services and so on. The precise number and types of events associated with a particular product or service will be dependent on its complexity.

2. EPOSS will support zero-value Automated Payment transactions for recording reversed smart card transactions and other cancelled transactions.

3. EPOSS will support zero-value Order Book receipt, re-direct and issue.

4. EPOSS will record the dispatch of items to storage, retrieval and processing facilities.

5. Automated Payments will be supported as currently.

Zero-value transactions will be designed as services and products in their own right with the normal controls, data flows and interfaces to external systems.

**Pathway Comment**

The volume of transactions will increase significantly with the increase in the number of "events" and checkpoints which can result in recorded transactions.

Transactions which cannot be substantiated (e.g. cancellation before commit) are open to abuse if they contribute to payment or penalty.

**Reference No 971****Pathway Response**

Pathway will agree with POCL a strategy to achieve a single stream of unreconciled data to POCL's automated payment clients, from day 1.

Part of the strategy will be a timetable for the absorption of Farnborough's reducing workload by Pathway.

**Pathway Comment**

None

**Reference No 972****Pathway Response**

Pathway will develop a rollout plan sympathetic with POCL's requirements as follows:

1. The nominated major conurbations to be done first are:  
West Midland; Greater Manchester; Merseyside; Leeds/Bradford; Tyne and Wear; Glasgow/Edinburgh; South Wales.
2. The Contractor confirms installation within the M25 area will take place in the second half of the overall timetable.

**Pathway Comment**

None



## Reference No 973

**Pathway Response**

Pathway acknowledges that, during the lifetime of the contract or at termination, POCL Services supplied by Pathway may need to be replaced or supplemented with services provided by other suppliers. Pathway further acknowledges that it must be technically viable for its POCL Services to be replaced by and/or interface to services from other suppliers. The commercial viability of such replacements or adjuncts is largely a matter for the other supplier and Pathway can offer no warranty on this.

Pathway has agreed in its response to requirement 951 to provide the service architecture document which will contain, inter alia, the functionality of the major components, the interfaces between them, and their design service levels. These interface descriptions shall cover:

- a) a definition of the business processes supported across the service boundary, including who originates the processes;
- b) all business transactions supported across the service boundary including responses, associated information, any supporting facilities and any constraints including required timings.

Attention is drawn also to requirement 869 (TMS) and the Pathway response. Pathway will specify the internal performance requirements of any sub-system that is retendered. Pathway reserves the right to modify service targets for overall performance at the contract service boundaries in the event that such a subsystem is retendered and/or let to a third party.

Pathway's costing and charging basis for integration with other suppliers' services will be on strict commercial terms.

Where a service or an upgrade thereof is supplied by another supplier Pathway will require that it conforms to specification as evidenced by a satisfactory test report based on a test specification agreed by Pathway before being put into operational use. In the event of malfunction of Pathway's POCL Services caused by the malfunction of another supplier's service, that service supplier shall be liable for all losses sustained by Pathway including lost revenues and additional operational costs.

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Where the content of the work to be done by Pathway as a result of such service replacement makes for practicality, subcontracts from Pathway will be let following competitive tender. Such tenderers shall be at the sole discretion of Pathway and shall not necessarily include prospective replacement or supplementary service providers or POCL.

Pathway Comment

None

## POCL OBLIGATIONS

Ref.	POCL Obligation
463	<p>1. For all testing required by POCL (including Acceptance, Destructive and other) a co-operatively developed Test Plan should be produced with Pathway. This would include the objectives, timetable, key activities, expected outputs and equipment requirements.</p> <p>2. POCL should allow appropriate Pathway staff reasonable access to any Test activities.</p> <p>3. POCL should provide Pathway with the results of the Test and, through a review process, discuss the implications of the Test.</p>
464	None
465	Agreement to a specification of equipment livery which Pathway accept as reasonable in terms of its impact on cost, manufacture and long term support.
466	None
467	None
468	None
469	A co-operative role in the final review stages of the documentation
470	A co-operative role in the final review stages of the documentation
471	<p>1. Agreement as to the scope of the Broadcast facility (including message types and expected usage) such that agreed technical and cost boundaries can be defined.</p> <p>2. Agreement to the development of an electronic information strategy.</p> <p>3. Co-operation in the design and specification of the data preparation processes as required to support any electronic information service in a post office.</p>
472	Agree the events that must be logged and the data items that must be recorded
473	<p>1. Specify the precise user types and permissions required for post offices.</p> <p>2. Co-operation and involvement in the specification and implementation of the processes to handle exceptional events (e.g. lost password)</p> <p>3. Provide details of which POCL Services are required in each post office</p>
474	1. Process for co-operation and involvement with Pathway in agreeing reasonable responsibilities and subsequent actions as required under current and future Health and Safety legislation.
475	Involvement in the Change Control Procedure as may be required for document enhancements

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Ref.	POCL Obligation
476	1. Agreed involvement and co-operation in the assessment of business functionality and any HCI of new or enhanced application releases through system test and quality reviews 2. Agreement to a change control process which will govern the acceptance of the functionality of new or enhanced POCL Services.
477	Agree a period of notice.
478	1. Agree the method. 2. Agree the data file.
479	1. Specification of the authorised computer systems to which TMS can connect 2. Agree a period of notice.
480	None
481	None
482	None
484	None
485	None
486	POCL is responsible for the agreeing of the documentation review process and adherence to the agreed timescales for review.
487	None
488	1. POCL shall provide a nominated person at each site who can accept the installation works, in accordance with the roll-out schedule.
489	POCL is responsible for defining a site to where the existing automated equipment will be taken.
490	None
491	POCL will facilitate the planning permission process. A process will be agreed to cover cases where planning permission cannot be agreed.
492	None
493	None
494	None
495	POCL shall be responsible for the initial identification of all outlets to which the OPS shall be installed.
496	None
497	POCL is responsible for identification of all sites and Nominated Person so that Pathway may discuss with them their requirements for each installation.
498	POCL will provide personnel who understand the existing systems and manual processes and can work closely with Pathway to plan how to achieve effective migration.
499	None.
500	POCL will facilitate the planning permission process. A process will be agreed to cover cases where planning permission cannot be agreed.



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Ref.	POCL Obligation
501	POCL is responsible for the nomination of Horizon Implementation Manager, together with their interface, operational responsibilities in relation to Roll-out.
502	POCL shall provide post masters who can agree the works required to their own site for which they are responsible for, and who will co-operate with the Contractor during the installation activities.
503	POCL shall provide post masters who can agree the works required to their own site for which they are responsible for, and who will co-operate with the Contractor during the installation activities.
504	POCL is responsible for supplying details of existing equipment so that it may be assessed for future utilisation.
507	POCL is responsible for the timely identification of peak times where roll-out to outlets may not be undertaken (e.g. Christmas etc.)
508	POCL will agree a process.
509	POCL to agree with Pathway normal specifications for the siting of the office platform and will provide outlet managers who can agree the positioning of the office platform within each office.
510	None
511	POCL shall provide post masters who can agree the works required to their own site for which they are responsible for, and who will co-operate with the Contractor during the installation activities.
512	POCL will agree a process.
513	None.
514	POCL will agree a process for deciding whether an office goes live.
516	POCL will agree a process.
517	None
518	None
519	POCL is responsible for the forecast of probable future potential requirement for additional counter positions.
520	None
521	None
522	None
523	POCL will agree the operation of systems interfaces between Pathway and POCL and their clients.
524	POCL agrees to supply details of the type of call which is presently experienced on their own help desks.
525	POCL will agree a process for ordering adequate consumable materials where appropriate.
526	None
527	None



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Ref.	POCL Obligation
528	None
529	POCL will agree the behavioural standards.
530	None
531	POCL will agree the competency standards.
532	POCL will make appropriate staff available.
533	None
534	None
536	1. Reasonable advance notice of any change to OPS services that would result in new peripherals being required
537	1. POCL will participate with Pathway in reviews and analysis of those system management events that indicate POCL operational or technical procedures and mechanisms require modification. 2. POCL shall give reasonable notice to changes that are required of the Pathway SMS.
538	None
539	1. POCL shall provide and maintain a specification of all externally provided reference data. 2. POCL shall provide timely notification of any changes to reference data and shall co-operate with Pathway in any service testing that may be required. 3. POCL shall facilitate discussions with any third parties, to produce an agreed interface specification and the associated technical and operational methods to effect valid data transfer.
540	POCL shall use reasonable endeavours to promote the agreed operational procedures for OPS including equipment use, operating conditions, physical and environmental conditions and all relevant Health and safety legislation
541	1. POCL will provide information on forecast changes to business volumes within current or new POCL Services. 2. POCL should adopt a flexible approach to the operational and procedural implications of new or changed POCL Services as advised by Pathway's impact assessment on the current technical architecture and POCL Services. 3. POCL should co-operate with Pathway in any system testing and other activities as may be required in order to assess the impact of changes to business volumes.
542	POCL shall not unreasonably restrict Pathway from changing the support processes or support organisations as applied to current or future POCL Services provided by Pathway, where such changes do not adversely impact Pathway's contracted obligations.
543	Provide the specifications applicable to each of the token types. Arrange access to software algorithms and drivers required to implement support for tokens where such algorithms are held

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Ref.	POCL Obligation
	under IPR arrangements by POCL or its agents.
544	Agree with Pathway the range of APS service types and the initial client set to be supported by type Provide timely information to Pathway on the characteristics of new service variants by means of the standard parametrised reference data or any extensions thereto required Provide timely information on the token specification and interface requirements for service extension to new clients and facilitate Pathway access to sample tokens and equipment for the purposes of service development, integration and testing
545	1. Agree with Pathway documentation contents prior to its production and to any subsequent changes 2. Facilitate Client participation in the production of the Automated Payments Client specifications
546	Agree with Pathway the counter positions at which the AP service shall be available, and identify in a timely manner proposed extensions to such service availability Co-operate with Pathway in the assessment of future transaction types and volumes.
547	Agree Pathway the definition of the term "robustly" as applied to APS data capture and validation Agree with Pathway the implications of rules defined in the APS Generic Rules and Token technology specifications.
548	Will discuss with Pathway any modifications to POCL counter and backoffice procedures necessary for the proper operation of the required POCL Services by POCL staff or agents.  Will use all reasonable endeavours to ensure that agreed office and counter procedures are followed in their affect upon the operation of the Pathway services
549	Agree with Pathway the implications of rules defined in the APS Generic Rules and Token technology specifications General obligations on agreeing and following counter procedures
550	POCL shall provide access to token specifications and facilitate access to appropriate software algorithms in a timely manner to facilitate the Pathway development (as in Req Ref 543) and agree the rules defined in the APS Generic Rules and Token technology specifications (as in Req Ref 547)
551	Agree the scope and details of APS information retrieval services required at the Outlet
552	To agree the implications of rules defined in the APS Generic Rules and Token technology specifications
553	To agree the implications of rules defined in the APS Generic Rules and Token technology specifications The AP client specification should include action(s) to be

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## RESTRICTED CONTRACTS

Ref.	POCL Obligation
	taken in the event of non-availability of the Client system or interface to it
554	POCL shall agree with Pathway the fallback approach.
555	<ol style="list-style-type: none"> <li>1. Co-operation in agreeing the barcode standards to be used (read or printed) for each service.</li> <li>2. Co-operation in defining or agreeing the specific cards (magnetic or smart) to be used in each service.</li> <li>3. Co-operation in agreeing the format of any printed output required for a service.</li> <li>4. Facilitate the provision of examples of all current magnetic and smart cards/keys and all associated software such that development and testing can proceed.</li> </ol>
557	<ol style="list-style-type: none"> <li>1. POCL shall give reasonable notice of any future service requirements that may require additional OPS equipment.</li> <li>2. POCL shall co-operate with Pathway in any equipment assessment and selection process.</li> <li>3. POCL shall recompense Pathway for any agreed costs incurred in equipment selection, testing and development should the new or enhanced service not be required</li> <li>4. POCL shall give a firm statement on the requirement for OCR reading at the counter and the associated technical specification.</li> <li>5. POCL shall give a firm statement on the requirement for 2-D barcode reading and the associated technical specification.</li> </ol>
558	Regular review of expected and actual business volumes for current and future POCL Services.
559	2. POCL will agree a process under change control for adding functionality.
560	<ol style="list-style-type: none"> <li>1. POCL should not unreasonably prevent Pathway from implementing changes to the OPS equipment for some or all of the outlets where such changes do not impact on Pathway's operational or service delivery commitments.</li> <li>2. POCL will constructively contribute to any discussions that Pathway may initiate concerning technology refresh.</li> </ol>
561	None
691	<p>POCL Shall:</p> <ol style="list-style-type: none"> <li>1. Define the denominations of all items receivable/returnable</li> <li>2. Define the format of the consignment note</li> </ol>
692	<ol style="list-style-type: none"> <li>1. specify the allowable methods of payment for each product/service offered.</li> <li>2. Indicate which transactions should be committed on completion (independent of the customer session)</li> <li>3. Identify which services cannot be paid for using EFTPOS (e.g. lottery tickets)</li> <li>4. Indicate if and when credit cards will be supported</li> </ol>



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Ref.	POCL Obligation
	5. Indicate if and when cashback will be supported 6. Describe the mechanism for selection/appointment of Merchant Acquirer
693	1. Agree format of all receipts. 2. indicate which transactions will automatically produce a receipt
694	None
695	POCL Shall:  1. Agree format of all reports.
696	1. None 2. provide example pre-printed stationery 3. provide filled in examples of existing reports
697	If impropriety or negligence should be attributable to POCL, they shall take all reasonable measures to prevent recurrence.
698	1. Agreement of policy. 2. Assessment, regular review of compliance. 3. Incident reporting (joint responsibility dependent on area of responsibility). 4. To take all reasonable steps to prevent privileged Pathway information being released. 5. To take all reasonable steps to protect access to the Pathway System via their dedicated access.
699	1. Agree the content of the audit trail 2. Agree the procedures for identification of POCL staff initiating transactions in the POCL Service, - POCL Counter Staff for counter transactions
799	Agree with Pathway the procedure for token issue, including any client interfacing requirements and technical specifications
800	None
801	1. Identify the specific products and services within each product style 2. Indicate default values (if applicable) for open value products 3. Specify the product groups that comprise denomination components
802	1. identify by denomination the products which are considered to be cash or value stock
803	POCL Shall:  1. Advise whether a semi-complete customer session should be discarded completely or recovered so far as possible.
804	POCL Shall:  1. Identify the cut-offs for the clients which affects

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Ref.	POCL Obligation
	reversibility.
805	1. Specify which events are to be recorded in the journal 2. the criteria that may be used for searching for transactions and journal events
806	Specify whether the system will be operated across different time zones
807	POCL Shall:  1. identify the items by denomination that can be transferred between stock units.
808	POCL Shall:  1. identify the items that will be reconciled by individual serial number.
809	None
810	POCL Shall:  1. identify all of the transactions that should allow "rate shopping".
811	1. Provide a complete set of definitions for existing products 2. Provide definitions of new products sufficiently in advance of their live availability requirement
812	Provide the rules regarding the reversibility of each transaction
813	Identify which products can be revalued
814	Agree rules for the sharing of cash and stock declaration work in a team working environment
815	None
816	Specify the scope of an auditor's access to accounting data
817	1. Identify discounts applicable to existing products 2. Specify their discounting strategy and the products affected
818	Agree the format and content of Reference Data transmitted from POCL.
819	POCL Shall:  1. identify the items that comprise the cash account. 2. at any point in time provide calendar information for the previous, the current and the following year subject to agreed process, including agreement on timescale. 3. provide the format of the data in the 2D bar code.
820	POCL Shall:  1. Follow the fallback and recovery procedures agreed with Pathway.
821	POCL Shall:



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Ref.	POCL Obligation
	1. provide timely information describing each local business scheme and identifying the regions, areas and offices affected.
822	1. Agree the format and content of reference data transmitted to and from SAP/ADS 2. Identify the precise products whose movements are controlled by the SAP/ADS
823	None
824	1. Provide full details of rules and tariffs involved in mails services 2. Specify the level of data capture associated with added value mails services
825	POCL Shall:  1. identify the business and data relationships between the "linked" products.
826	1. Advance notice of any requirement of POCL to introduce a new peripheral into OPS. 2. Assist in the development of an impact assessment resulting from any new equipment covering current service provision, Pathway/POCL liabilities, procedural changes and any resultant costs.
827	1. The timely specification, using the Change Control Procedure, of any changes to business functionality required in current Services. This would include the introduction of new authorisation methods. 2. Co-operation and involvement in the specification and outline design of new authorisation methods 3. Support for Pathway in dialogue with third parties
828	5. Agree mechanisms for provision of control data, e.g. Post Office reference details.
829	Information required to support fraud investigation or prosecutions shall be notified before the end of the agreed normal retention period for the relevant information; currently 12 months in the case of physical evidence (e.g. receipts).
830	1. Agree contingency scope and operational responsibilities. 2. Agree procedures for invoking contingency, particularly at Post Office Counter. 3. Agree mechanisms for classifying and reporting when contingency invoked. 4. Agree change control mechanisms for contingency 7. Agree review and problem resolution processes associated with management of contingency invocation
831	POCL shall: 1. Place the POCL Interface Requirements for the BA/POCL

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Ref.	POCL Obligation
	<p>System document under joint change control.</p> <p>2. Discuss the implications of extensions to this functionality.</p> <p>3. Agree to the specific applications of the ARTS model.</p> <p>4. Agree the operating timetable for LFS.</p> <p>5. Agree the operating timetable for TIP.</p> <p>6. Assist in the agreement of operating timetables for POCL Clients.</p> <p>7. Assist in the agreement of interfaces for POCL Client Authorisation Requests, Confirmations/Exceptions, Authorisations and Client-specific reference data.</p> <p>8. None</p> <p>11. Agree the transition of traffic from APT host to AP client hosts.</p> <p>12. Agree outlet arrangements for cash account production.</p> <p>13. None</p> <p>14. Agree a development strategy and timetable for the LFS application.</p> <p>15. None</p> <p>16. None</p> <p>17. None</p>
832	All faults must be reported to the Horizon System Helpdesk.
833	None
834	<p>POCL Shall:</p> <p>1. Agree with Pathway an approach to migrating business data for all classes of office during roll-out.</p>
835	None
836	None
837	1. define the format and content of all reports 2. Identify the frequency of production of each report
838	<p>POCL Shall:</p> <p>1. identify the transactions / products which will support post-event entry of information.</p>
839	<p>POCL Shall:</p> <p>1. identify all items by denomination that make up the retail stock.</p>
869	<p>1. POCL will endeavour to provide timely information on all likely and possible changes to business volumes within current or new POCL Services.</p> <p>2. New or changed POCL Services will be subject to a change control process.</p> <p>3. POCL will agree system testing with Pathway.</p>
870	None
871	None

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Ref.	POCL Obligation
880	<p>Agreement of the technical details of the interface to TIP and its operational characteristics, in terms of timings and transfer schedules, etc.</p> <p>Agreement on any reconciliation mechanisms between POCL, Pathway and, where appropriate, any third parties, for transactional data transferred to TIP.</p>
890	<ol style="list-style-type: none"><li>1. POCL shall agree with Pathway the technical details of the interfaces by which committed AP transactions are transferred to POCL and Clients.</li><li>2. POCL shall agree with its AP clients and Pathway the operational characteristics of such transfer processes, including time windows and the procedures by which demonstrability of successful transaction transfers shall be measured</li></ol>
891	<p>POCL shall:</p> <ol style="list-style-type: none"><li>1. input reference data at the central and/or post office levels, and such other levels as may be defined, in accordance with operating procedures agreed with Pathway</li><li>2. notify Pathway without unreasonable delay of any reconciliation exceptions encountered by POCL systems that are unexplained by POCL</li><li>3. ensure that Pathway is notified without unreasonable delay of any reconciliation exceptions encountered by POCL client systems that are unexplained by POCL clients or POCL</li><li>4. as appropriate, agree interface integrity controls with Pathway</li><li>5. co-operate with Pathway in seeking explanations for reconciliation exceptions</li><li>6. take appropriate steps to restore TIP and SAP/ADS in the event of their failure.</li><li>9. accumulate and despatch paper receipts to the agreed repository in a timely fashion and in accordance with agreed procedures for grouping, enveloping, despatching and notifying despatch</li><li>10. provide information to Pathway for the retrieval of receipts</li></ol>
894	<p>Agree the arrangements for MIS reports and POCL control mechanisms.</p> <ol style="list-style-type: none"><li>1. Agree frequency of Review meetings</li><li>2. Agree content of inputs</li><li>3. Agree reporting periods</li><li>4. Agree arrangements for exception reporting.</li><li>5. Agree the procedure for arranging "ad hoc" meetings</li></ol>



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Ref.	POCL Obligation
	6. Agree the list of reports that will be required 7. Specify data requirements to enable resource, network, productivity, cash management and marketing planning 8. Advise changes to MIS requirements under Change Control procedures 9. Specify and agree all required interfaces to Information systems, e.g. TIP. 10. Agree the medium for the reports, i.e./ fax/EIS access/paper/floppy disk/other 11. Customer to provide and agree MIS reporting requirements
895	1. Agree irregular encashment information. 2. POCL must inform Pathway of any exception event occurring in a Post Office
896	POCL shall be jointly responsible for developing a strategy study for the use of electronic communications in the user documentation area.
898	Specify those outlets that require OBCS
899	Agree the service levels and methods of data transfer to/from the DSS ESNCS system.
900	Provision and discussion of the ESNCS interface document referred to above.
901	None
902	Agree OBCS service level Agree process by which OBCS time monitoring will be achieved
903	Provision of DSS interface document Co-operation in the design and operational procedures relating to the DSS ESNCS data interface Agree final definition and enactment of OBCS service levels
905	None
906	None
911	POCL shall:  Agree the transition arrangements through a change control procedure.  POCL will agree a change control procedure.
912	1. POCL to agree a schedule for the electrical safety test service, commensurate with the post office roll-out timetable. 2. POCL to facilitate and promote the importance of this service and the ongoing safety responsibilities of post office staff. 3. Facilitate the access to equipment and other areas as required during the electrical safety service.
913	POCL is responsible for the definition of the documentation agree a process and adherence to the agreed timescales for

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Ref.	POCL Obligation
	review. POCL will copy and distribute the paper copies of the manual to the appropriate users.
914	None
915	1. POCL will give details of the staff to be trained.
918	None
921	1. Advance notice of any requirement of POCL to introduce a new peripheral into OPS. 2. Co-operation in the development of an impact assessment resulting from any new equipment covering current service provision, Pathway/POCL liabilities, procedural changes and any resultant costs.
922	None
925	POCL shall produce and baseline the Operational Trial and Model Office Test Requirements of the Service Provider document for agreement with the Contractor.
926	POCL shall document the process to follow for agreement to roll-out plans, including but not limited to: a) initial release timeframe; b) extent and scope of roll-out plan; c) process of change; d) expected change frequency;
938	Agree the content and distribution of the DP Act print report
941	1. Refer to the Project Plan.  2. Agree the frequency and format of the installation acceptance reports.
945	1. POCL shall nominate an Outlet Manager for each site who can agree and authorise the site preparation work to be done and also periods when no modifications can be made to the site. POCL shall agree with the Contractor the format and approach of the User Survey and also the parameters for the siting of the OPs, prior to commencement of the Roll-out.  2. POCL shall define and agree with the Contractor the role and interface with the "Regional Liaison Manager".
949	1. To define the scope of the "total POCL Training" that may be required. 2. To identify the numbers, locations and skills profile of the staff to be trained. 3. To identify the training requirements in sufficient time to allow the preparation of training plans and training courses.
951	POCL shall:  Give timely notification of changes in the interfaces of their systems and, where possible, those of other parties,



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Ref.	POCL Obligation
	where these affect Pathway.
952	None
953	None
956	<p>POCL shall:-</p> <p>Negotiate any required practical alternative arrangements for reception and transmission of files.</p> <p>Originate the data transfers for OBCS and provide for reception of transfers from OBCS in accordance with the interface specifications and operational procedures to be agreed with Pathway and POCL.</p> <p>Facilitate access for the installation and maintenance and de-installation of Pathway equipment.</p> <p>Provide Pathway with specifications of OBCS functions, particularly for the known addition for stop and recall receipt acknowledgements.</p> <p>Provide Pathway with reasonable notice of change in such specifications.</p> <p>Aid agreement as principal with Pathway in the event that Pathway and DSS's agents cannot agree on technical and operational process.</p>
960	Identify the precise events that should be recorded as zero-value transactions for all products/services but particularly for APS.
971	<p>POCL shall identify all automated payment clients and their data requirement.</p> <p>POCL shall identify the nominated end of day time for each Post Office, and the assumed end of day for data transmission cut-off.</p> <p>POCL shall agree with the Contractor the strategy for achieving single-stream unreconciled data transmission to its automated payment clients.</p>
972	None.
973	<p>POCL shall:-</p> <p>Give due notification of intention to re-tender any POCL Service.</p> <p>Give due notification of changes in interfaces of their systems and those of alternative or supplementary suppliers.</p>

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Ref.	POCL Obligation
	Agree test specifications, schedules and reports for replacement or supplementary POCL Services.



## SCHEDULE A17 - CCN LIST

## PART 1

The CCNs to which Clause 810.10.1 applies are as follows:

CCN No.	CCN Title
0081d	Electronic Cash Account
0201	Minor Changes to Reference Data
0215b	Approval of SADD V4.0
0228b	Reference Data to AIS version 3.3
0229a	Reference data to Pathway AIS physical filename
0239a	Clarification of Requirement 493
0261a	Agreement of AP Client Take On Process-
0262	General Security Contingency plans
0263a	Detailed format for all interfaces
0264	Interface Integrity controls
0268a	Introduction of Safeguard Virtual Private networks
0277b	Pathway to TIP AIS update to version 5.3
0280	Implementation - SLA: Operational Systems Help Desk
0281	Implementation - SLA: Operational Systems Help Desk
0286d	Details of training courses
0288	Modify password expiry parameter in OPS
0289	APS Data Capture
0290a	POCL Interfaces





CCN No.	CCN Title
0292	Benefit Payment Service - OPS Interface: ESNCS to OBCS - (A2A Ref Id: R956-3)
0301	APS Watercard Smart Product
0302	APS Quantum Smart Product
0304a	Flat Panel Display Monitors (Flat Screens)
0310a	Document to define APS Client Baseline
0312a	Introduce references to POCL HAPS into Related Agreements
0313a	HAPS Disaster Recovery proposal
0337	2 or 3 Week Cash Account
0338	APS Acceptance Specification
0340	Training Acceptance Specification
0342	Services Acceptance Specification
0343	MIS Acceptance Specification
0344	OBCS Acceptance Specification
0345	Security Acceptance Specification
0346	SLAs Acceptance Specification
0349	Siting of Infrastructure Elements in an Outlet
0350	AP Client Specifications
0353	Timing of Site Survey
0361	Audit Acceptance Specification
0362	Introduce updated version of OBCS Acceptance Specification
0363	Introduce Frame relay communications
0370	TIP Interface Acceptance Spec V 3.0



CCN No.	CCN Title
0376	British Gas Trading Simple Payment Module Smart Product
0377	Interim Type B Fallback Specification
0378	EPOSS Acceptance Specification
0379	Help Desk Acceptance Specification Version 2.0
0380	Reconciliation Acceptance Specification
0381	Rollout Acceptance Specification
0382	End-to-End Service Acceptance
0383	Schedule C3 Acceptance Specification
0384a	Introduce Installation Strategy, IM/STR/026 as a Contract Controlled Document (A2A Ref ID: R489, R501, S489-1)
0386	Number of Counter Positions (A2A Ref Id:R945-1)
0387	ESNCS - Restate Full Stops and Recalls List (A2A Ref-Id R956-1)
0388	Policies and Standards Acceptance Specification]
0395	APS Receipt - Client and Scheme Name
0400	To Introduce the POCL Reference Data Interface A.Spec. as CCD
0405a	Amendment of S507 to Reference CCD for Definition of Xmas Period
0407	OPS Technology Refresh (A2A R560)
0411a	British Gas Trading Simple Payment Module Smart Product
0415	Introduction of 1999/2000 Cash Account
0419	Appearance of the OPS Equipment(A2A Ref.Id:R465/S465-1)
0420	OPS Interface ESNCS to OBCS (A2A Ref Id: R956-2)
0426	Revision to Office Weekly Suspense Account Report



CCN No.	CCN Title
0427	Client Report Upgrade to 1999/2000 Specification
0429a	Introduce Document "Scheduling Strategy" as a Contract Controlled Document (A2A Ref Id: R517)
0430	EPOSS - General Service Levels (A2A Ref Id: R871)
0431	Acceptance Specifications Consolidated Caveats as a CCD
0432a	Acceptance Incidents Raised by the Contractor
0436	Siemens meter security
0437	Extension of training window to 10 days for Branch Offices in Live Trial
0453	Supply of Consumables. (A2A Ref Id:S466-1)
0458	To Introduce the POCL Infrastructure Acceptance Specification as a Contract Controlled Document
0474	Introduce Document "Removal Of Existing Customers From The Card Scheme" as a Contract Controlled Document





## PART 2

The CCNs to which Clause 810.10.3 applies are as follows:

CCN No.	CCN Title
0202a	D104 Weigh Scales Connection
0245c	Definition of "Working Documents"
0259d	CSR Service Levels
0284	Measurement of Printer Times
0297	War Pensions Order Books Being Amended
0333a	Amend APS Client Baseline
0399a	Removal of references to costing in R915
0406	Delete Misplaced Text in POCL Schedule H08 (A2A PH08-3)
0413a	Invoice Design (A2A PA10)
0417	APS Key Management (A2A S952-2)
0423a	Audit Trail (A2A R699, S699-1, S699-2, S699-3)
0428b	Update Contract Controlled List to Introduce New Versions of and Additional Interface Specifications
0434b	1999/2000 Horizon Cash Account Format - to Allow ICL Pathway to Update the Horizon Cash Account Report to Comply with Revised Layout and Presentation
0441	Introduction of Network Business Support Centre - Live Trial
0444	Horizon OPS Reports and Receipts (A2As)
0445b	Changes to Pathway to TIP, AIS to Support Operational TIP
0457a	Amendments to Solution References 914 (A2As)



CCN No.	CCN Title
0461	Disaster Recovery Provision for Huthwaite
0462	Introduce the Security Functional Specification V4.0 as a CCD
0465	Introduce the Security Policy Version 4.0 as a CCD
0466	Full Automation of the Cash Account Type B Feed to Pathway
0467a	SADD (A2As)
0470	To Link a POCL Financial Year with a set of reports
0471	Restricted Functionality at Outlets (A2A S473-1)
0472	Change to Requirement 818/3
0473a	Facilitate POCL Management of Products using Item Transaction Mode
0475	Live Trial Enhancement 1 - Validate the Office Brought Forward Figure at Migration
0476	Live Trial Enhancement 2 - Stock Declaration Process for Shared Stock Units to become Optional
0477	Live Trial Enhancement 3 - Allow Users to Select and Edit Existing Stock, Stamp and Cash Declarations
0478	Live Trial Enhancement 4 - Reduction of Forced Cash, Stock, Stamp Declarations
0479	Live Trial Enhancement 8 - Remove the Cash Account Snapshot Function
0480	Live Trial Enhancement 7 - Declaration and Stock Adjustment of Linked Products
0481	Live Trial Enhancement 9 - Stamp Declaration by Volume Rather than Value
0482	Live Trial Enhancement 10 - Remove the Office Balance Process
0483	Introduction of the NR2 Processes and Procedures Description (PPD) Documents as Contract Controlled Documents





CCN No.	CCN Title
0484	Introduction of Additional Copy of TMS Layer Following Loss of Single Data Centre
0486	Business Continuity (A2A S830-1, S830-2, P/G01-15)
0489	Change of POCL Registered Address
0490	Introduction of the Horizon Office Platform Service Style Guide (SD/STD/001 V2.0) as a Contract Controlled Document
0492	Introduce Document "ICL Pathway Core Systems Release Contents Description" as a CCD
0494	Introduce Testing Strategy Documents as CCDs (A2A Ref Id: S925-1)
0497	Resolution of A2A PF01-2 (A2A Ref Id: PF01-3)
0499	Benchmark Counter Transaction Times

The Change Requests to which Clause 810.10.3 applies are as follows:

CR No.	CR Title
R0048	Amendments to the OBCS Stop List
R0049	Changes to Shared Stock Balancing Process
R0050	Increase the 5 day training window to 10 days in ECCO+ offices
R0053	New Requirements for MIBs and UAs following the removal of BES and TT
R0057	LFS contract schedule K01 - Data Retention



## CODIFIED AGREEMENT      SCHEDULE B1      RESTRICTED CONTRACTS

**SCHEDULE B01 - POCL SOFTWARE**

The tables below list the Contractor and Third Party Software provided for operational use by POCL staff or their agents.

The Software described below is licensed in accordance with Part 5 of the Codified Agreement.

Description and Product Name	Scope & purpose	Class
Office Platform Service		
"Windows NT Workstation"	Operating system	Third Party (Microsoft)
"Riposte"	Riposte desktop, messaging and journal systems	Third Party (An Post/Escher)
APS counter Application ("PPF")	Counter Application to support inpayments using magnetic cards, Smart Tokens and bar-coded paper bills.	Contractor
OBCS counter Application ("ESNS+")	Counter Application to support the checking and subsequent management of order books.	Third Party (An Post/Escher)
EPOSS counter and administration application ("PEF")	Counter functions to handle sale and service transactions. Administration function to handle access control and counter and office administration.	Contractor
Auditor access to TMS	To provide auditor access to TMS Journal records	Third Party (An Post/ Escher) & Contractor
LFS Counter Application	Counter application to support inventory management processes and, via EPOSS, the generation of inventory management transactions	Contractor

"ESNS+"      - Electronic Stop Notice System - Enhanced  
"PPF"        - Pathway Payment Facility  
"PEF"        - Pathway EPOS Facility



SCHEDULE B02- POCL HARDWARE

1. TITLE IN HARDWARE
  - 1.1. Title in all Hardware supplied as part of the POCL Service Infrastructure shall remain in the Contractor.
  - 1.2. Title in any element of Hardware supplied as an Optional Product or an Additional Product shall vest in POCL upon acceptance thereof and full payment therefor in accordance with the provisions of this Codified Agreement.
2. NOTICE PERIODS FOR EXERCISE OF OPTIONS TO PURCHASE OPTIONAL PRODUCTS
  - 2.1. POCL shall give written notice of any exercise of its options under Clause 206. Delivery shall be made by the Contractor within thirty (30) days after receipt of the relevant notice or such other reasonable period as may be agreed by the parties.





## **SCHEDULE B03 - DOCUMENTATION -**

### **1. PURPOSE**

- 1.1 This Schedule lists the Documentation that is referenced in this Codified Agreement and which the Contractor shall license to POCL under the provisions of Clause 506.1.
- 1.2 Documentation that is not referenced in this Codified Agreement, but which the Contractor otherwise agrees shall be licensed to POCL under the provisions of Clause 506.1 shall be listed in a separate document which shall be updated as agreed from time to time.
- 1.3 *[Not used]*
- 1.4 Where the licence allows the Contractor's Documentation to be modified by POCL then any such modifications shall be solely to enable the presentation of information to different groups of readers and shall not materially change or misrepresent the meaning of information set out in Documentation.
- 1.5 With the prior written agreement of the Contractor, POCL may modify Documentation listed in Part A for specified purposes.



## 2. PART A

The table below lists Documentation in respect of which the Contractor grants an IPR licence to use and copy solely in connection with the POCL Services.

Document	References
Horizon OPS Reports and Receipts - ICL Pathway Horizon Office Platform Service	F01, R764, G01
Horizon OPS Style Guide	R475, R473, R898, G01, H01, A02
Security Functional Specification	R698, G01
Service Architecture Design Document	R951, R480, R973, R736, R869, R830, A01, G01
TMS Technical Documentation	R470, R869
Training and User Awareness Baseline Document	E01, F01, H01, G06
Counter Hardware Design Specification	R469, G01
Post Office Site Failure Contingency Procedures	R830, G01
Release Contents Description	R476
Pathway Release Policy	R476
AP Client Design Specification	R545, PE01
Business Continuity Framework	R830
Pathway Security Policy	R698
OECS Access Service High Level Design	R956
Counter Transaction Performance - Measurement and Benchmarking	E08, F08, H08





## 3. PART B

The table below lists Documentation in respect of which the Contractor grants an IPR licence to use, copy and modify solely in connection with the POCL Services.

Document	References
All Process and Procedures Descriptions (PPDS)	R525, R913, R927



**SCHEDULE B04- POCL CONSUMABLES****1. SPECIFICATION OF POCL CONSUMABLES**

- 1.1. The POCL Consumables required to operate the POCL Services in Outlets are identified in the table at paragraph 6.4.
- 1.2. The Contractor shall maintain a high level specification for each of the POCL Consumables identified in the table at paragraph 6.4. In the event that the high level specification is unavailable, being information confidential to the manufacturer, then the table at paragraph 6.4. shall include a list of approved products by brand name where appropriate.
- 1.3. POCL shall ensure that only products which meet the high level specifications referred to in paragraph 1.2. are used in that part of the POCL Infrastructure used to deliver OPS.
- 1.4. Where appropriate, the Contractor shall maintain a list of products, by product identity, which comply with the high level specification for each POCL Consumable and which the Contractor warrants for use in that part of the POCL Infrastructure used to deliver OPS.
- 1.5. Without prejudice to any rights the Contractor may have to recover any reasonable additional costs and expenses which the Contractor can show were directly incurred by it as a result of POCL's use of products which fail to meet the high level specifications referred to in paragraph 1.2., the Contractor shall be relieved of any remedies arising from a failure of that part of the POCL Infrastructure used to deliver OPS to the extent that such failure is directly associated with POCL's use of products which fail to meet such specifications.
- 1.6. POCL may invite the Contractor to quote at any time for products it does not at that time supply to POCL.

**2. NEW PRODUCTS****2.1. Evaluation**

- 2.1.1. No more than once each calendar year POCL may request the Contractor to evaluate products for use in the delivery of the POCL Services which are not on the list of approved products maintained in accordance with paragraph 1.4. Such evaluation shall include, where appropriate but not be restricted to, the assessment of the following product features:



- (a) external mechanical compatibility;
    - i. visual inspection to ensure that the product is physically compatible;
    - ii. mechanical dimensions and fit;
  - (b) torque measurements;
    - i. torque measurements required to move printer ribbons/tally rolls etc., absolute torque and torque variance to be within specification;
  - (c) internal construction;
    - i. includes integrity of design and quality of materials used;
  - (d) patent infringement
    - i. check carried out to ensure no patents are infringed
  - (e) performance
    - i. assessment of representative batch
  - (f) production samples
    - i. testing of batch from production run
- 2.1.2. When requested to do so in accordance with paragraph 2.1.1., the Contractor shall undertake evaluation and shall notify POCL of the results of the evaluation within one month of the date of the request.
- 2.1.3. If the Contractor evaluates a product as acceptable it shall be added to the list of approved products maintained in accordance with paragraph 1.4. Such approval of new products by the Contractor shall not be unreasonably withheld.
- 2.1.4. If the Contractor evaluates a product as unacceptable, the Contractor shall provide a report, to POCL, within one month of POCL's request for the product to be tested, detailing the reasons for the product's unacceptability.
- 2.1.5. In the event that a product is evaluated by the Contractor and found to be unacceptable, POCL reserves the right to carry out its own evaluation, based on the product features given in paragraph 2.1.1. and using the same criteria applied by the Contractor. If following such evaluation POCL considers the product to be acceptable then POCL shall have





the option of invoking the escalation procedures in paragraph 2.2.

## 2.2. Escalation Procedures

- 2.2.1. Where the Contractor and POCL disagree on the evaluation of a product then the Contractor and POCL shall jointly appoint an "expert" to carry out a further evaluation.
- 2.2.2. The "expert's" evaluation shall be based on the product features given in paragraph 2.1.1. and using the same criteria applied by the Contractor and POCL.
- 2.2.3. The "expert's" opinion shall be final and if the "expert" considers the product to be acceptable, the Contractor shall not unreasonably withhold the approval of the product and its inclusion in the list of products in paragraph 6.4.

## 3. INITIAL SUPPLY

- 3.1. The Contractor shall provide, free of charge, an initial supply of POCL Consumables to each working Counter Position or Outlet to be delivered at the time of delivery of the OPS Service Infrastructure for that Outlet. This shall comprise:

### a) Per Counter Position

- Three (3) single ply tally rolls for use in the counter printer.
- One (1) standard black ink printer ribbon for use in the counter printer.

### b) Per Outlet

- One (1) pack of A4 paper (500 sheets) for use by the back-office printer.
- The back-office printer will have any required consumables (e.g. ink-jet cartridge, laser toner and drum) pre-installed.

## 4. ON-GOING SUPPLY

- 4.1. Subject to notification by POCL in accordance with Clause 208, the Contractor shall commence the provision of an on-going supply of any POCL Consumable identified in the table at paragraph 6.4.



- 4.2. Following receipt of notification by POCL in accordance with Clause 208, the Contractor shall supply the relevant POCL Consumable, throughout the period of validity of the notification, in accordance with any relevant additional provisions specified in this Schedule or in the notification provided pursuant to Clause 208.
- 4.3. The Contractor shall use all reasonable endeavours to ensure that a supply of all the POCL Consumables identified in the table at paragraph 6.4. can be secured throughout the term of the Codified Agreement. This provision shall apply whether or not POCL has previously exercised its rights under Clause 208 to procure such POCL Consumables from the Contractor.
- 4.4. In the event that a POCL Consumable listed in the table at paragraph 6.4. is unavailable, the Contractor shall, at his own expense, source an alternative acceptable POCL Consumable. The price for such alternative POCL Consumable shall not be greater than the POCL Consumable for which it is an alternative.
- 4.5. In the event that a POCL Consumable, listed in the table at paragraph 6.4., is unavailable and an alternative cannot be sourced, then the Contractor shall not be relieved of his obligations to provide the POCL Services under the terms of the Codified Agreement.

## 5. ORDER AND DELIVERY ARRANGEMENTS

- 5.1. The Contractor shall accept orders in accordance with Schedule A10, and shall supply POCL Consumables to agreed POCL managed distribution centres.
- 5.2. Subject to POCL notifying the Contractor of the requirement for an ongoing supply of a POCL Consumable, in accordance with Clause 208, the lead time for the commencement of deliveries in respect of each individual order shall be agreed between POCL and the Contractor at the time of notification in accordance with Clause 208.

## 6. PRICES

- 6.1. All prices offered in the table at paragraph 6.4. are on a product by product basis. POCL shall not be required to order all POCL Consumables shown in the table at paragraph 6.4. in order to take advantage of the prices quoted therein.
- 6.2. POCL shall not be required to order all POCL Consumables listed in the table at paragraph 6.4. in order to have new





products added to the list in accordance with paragraph 2.1.1.

6.3. All prices offered in the table at paragraph 6.4. are on a fixed price basis subject to the following conditions:

- i. the prices for all POCL Consumables shown in the table at paragraph 6.4. apply to orders placed up to 28 February 1998 and for delivery before 31 May 1998;
- ii. supply of those POCL Consumables which POCL opt to procure from the Contractor shall be on a committed single source basis, separately for each POCL Consumable, to 28 February 1998.
- iii. the prices for all POCL Consumables shown in the table at paragraph 6.4. (as amended pursuant to (iv) below) shall after the date specified in (ii) above, be subject to annual re-quotation, such quotes to be provided by the Contractor by 31 October of each year for the following twelve month period 1 March to 28/29 February, should POCL opt to renew its single source commitment to the Contractor for any POCL Consumable then it shall notify the Contractor of such decision by 31 December of the relevant year.
- iv. on annual re-quotation under paragraph (iii) above, the Contractor shall update the items shown in the table at paragraphs 6.4. by listing all consumables which are then required for the performance of the POCL Services other than Contractor Consumables.



## 6.4. Details

POCL Consumable	High Level Specification	Approved Product	Minimum Order Quantity	Minimum Consignment Quantity	Item Cost
Tally rolls (packs of 100) - single ply)	As specified in the Ithaca specification 100-2203 Rev C (attached at Annex 1) with the following additional specifications Grammage:56.4gsm Footage: 73.15m Paper type: 15.5# Tablet Bond		1,200 packs	50 packs	£39.00 per pack
Counter Printer ribbon (black ink)	N/A	European Article Number (EAN): 5031713 851004 OKI Part No: 5108	20,000	3840 (supplied on pallets of 3840)	£3.20 per ribbon



POCL Consumable	High Level Specification	Approved Product	Minimum Order Quantity	Minimum Consignment Quantity	Item Cost
EPSON Stylus 200 Inkjet printer cartridge (black) - supplied in boxes of 100	N/A	S020047	1 box	1 box	£12.00 per cartridge
Tally rolls (packs of 100) - single ply	As specified in the Ithaca specification 100-2203 Rev C (attached at Annex 1) with the following additional specifications Grammage: 55gsm Footage: 58m Paper Type: White wood free "A" grade		1,200 packs	50 packs	£37.00 per pack
Panasonic KX-P6500 laser printer process unit	N/A	KX-PEP5	25	25	£105.00 per process unit
Panasonic KX-P6500 laser printer toner	N/A	KX-P459	250	250	£11.00 per unit





POCL Consumable	High Level Specification	Approved Product	Minimum Order Quantity	Minimum Consignment Quantity	Item Cost
Screen wipes (drum packs of 100)	N/A	N/A	1,000 drum packs	250 drum packs	£5.00 per drum



Annex 1 - Specification for Single Ply Tally Roll

Attached (3 pages)





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Ithaca  
Peripherals  
Incorporated  
A Subsidiary of Tridex Corporation

Part Number:  
100-2203  
Rev C

## Component Specification

Name: ONE PLY PAPER - 3 1/2 DIA x 3.23 W

Unit: SERIES 50, 60, 70 & 90 PRINTERS

C	ER-20165	10/96	Mc	NA	NA
B	ER-01006	11/16/94	MLM		
A	ER-00757	12/9/93	MLM		
Rev	Release No.	Date	Dfts	FCC	Safety

REV. B: UPDATED SPECIFICATIONS AND DRAWING.

REV. C: SHT #2 -  $\varnothing.455 \pm .010$  REF WAS  $\varnothing.452/.465$ ,  $\varnothing.850 \pm .010$  WAS  $\varnothing.845/.855$ ; CORE

MATERIAL WAS "PLASTIC", CORE ID WAS " $\varnothing.452/.465$ ", CORE OD WAS

" $\varnothing.845/.855$ "; SHT #3 - REMOVED WALL THICKNESS & WEIGHT

Initial Release: Mooney Date: 12/93  
Designer: Mooney Date: 12/93  
Engineer: Mooney Date: 12/93  
Drafter: Mooney Date: 12/93

Unspecified Specification Tolerances: XX= $\pm .02$ , XXX= $\pm .005$ , <= $\pm 1$  deg.



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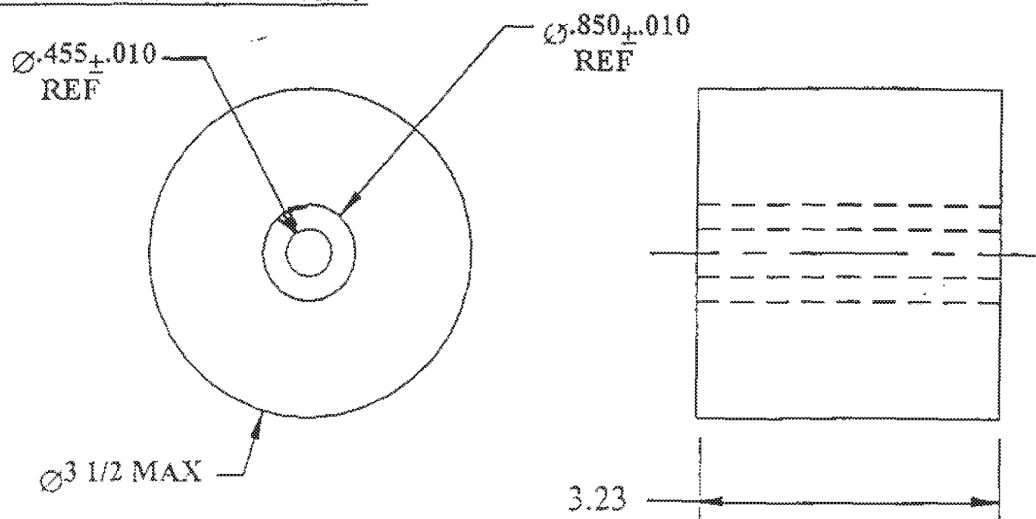
Ithaca  
Peripherals  
Incorporated  
A Subsidiary of Tridex Corporation

Part Number:

100-2203

Rev C

DO NOT SCALE DRAWING



SPECIFICATION DESCRIPTION	SPECIFICATION VALUE
WIDTH	3.230 ± .000 / - .005
DIAMETER	3 1/2 MAX
FOOTAGE	240 ft
HOW SHIPPED	50 ROLL CARTON
PAPER TYPE	15.5# TABLET BOND
BRIGHTNESS	80
OPACITY	79
MOISTURE	5.0
MULLEN	18
CALIPER	.00306
TEAR MD/CD	50/50
CORE MATERIAL	FIBER
CORE ID	0.455 ± 0.010
CORE OD	0.850 ± 0.010
OVALITY	.020
DROP FITTER	.445



339100015  
100100015

AN-2210

SPECIFICATION DESCRIPTION	SPECIFICATION VALUE
WARNING SIGNAL	3' FROM END
ROLL CLOSURE	GLUE SEAL
CORE BOND	NONE
CASE PART NUMBER	100-1667





**SCHEDULE B05- POCL ACCEPTANCE CRITERIA-**

1. The POCL Service Infrastructure shall meet the following Acceptance Criteria, namely that the elements of the POCL Service Infrastructure shall be as specified in Schedules B01 and B02 and shall interwork with the POCL Service Environment specified in Schedule 1, and that the POCL Service Infrastructure shall be technically capable of supporting the provisions of the POCL Services to the standard necessary to ensure that:
  - (a) data shall be received, stored and transferred in a secure manner, timeously, without corruption and having been validated as specified in Schedule B8;  
and
  - (b) data shall be secured against fraudulent attack as far as the Codified Agreement requires.



NOT USED



CODIFIED AGREEMENT

SCHEDULE B7

RESTRICTED - CONTRACTS

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THIS SCHEDULE IS NOT USED AND IS LEFT INTENTIONALLY BLANK





## **SCHEDULE B08 - POCL VALIDATION PROCEDURES -**

### **1. PURPOSE**

- 1.1 The Contractor shall validate all data received at each defined Service Boundary with the POCL Service Environment, to ensure that any such transfer of such data is secure, complete, accurate and robust.
- 1.2 POCL shall specify validation characteristics of all data delivered to the Contractor at each Service Boundary. The Contractor shall not unreasonably withhold agreement to all such validation characteristics.

### **2. SERVICE BOUNDARIES**

The Service Boundaries of relevance are at the interface between POCL Infrastructure Services and:

- TIP;
- Reference Data;
- LFS;
- POCL Clients;
- ESNCS;
- the HAPS migration specification.
- the point of data entry.

### **3. VALIDATION PROCEDURES**

- 3.1 The Contractor shall validate all data passed to its domain from POCL or any POCL Client at each Service boundary in line with the validation specifications detailed in paragraph 4 below.
- 3.2 All such validation shall ensure that each data item is validated by criteria including as appropriate, but not limited to:
  - by type (eg date);
  - by reference to existing data (eg an existing Customer);
  - with reference to whether the field is optional or mandatory;
  - by range (eg maximum and minimum values);



- cross field validation, where the value of one field is dependant on the value of data in another field.

3.3 All files shall be validated to ensure that they conform to the correct structure ensuring that they contain, where appropriate:

- the correct file header;
- the correct file structure;
- the correct number of records.

3.4 All files and records shall, where appropriate, be validated to ensure that they are processed in the correct sequence.

#### 4. VALIDATION SPECIFICATIONS

4.1 The following documents specify the validation that shall be carried out by the Contractor on data received at the TIP to POCL Infrastructure Services Service boundary:

- Pathway to Post Office Technical Interface Specification;
- Pathway to TIP Application Interface Specification.

4.2 The following documents detail the validation that shall be carried out by the Contractor on data received at the Reference Data to POCL Infrastructure Services Service boundary:

- Reference Data to Pathway Application Interface Specification;
- Pathway to Post Office Technical Interface Specification.

4.3 The following documents detail the validation that shall be carried out by the Contractor on data received at the LFS/SAPADS Service Boundary:

- LFS to SAPADS and SAPADS to LFS Application Interface Specification.
- Pathway to Client Generic Technical Interface.

4.4 The following documents detail the validation that shall be carried out by the Contractor on data received at the POCL Client to POCL Infrastructure Services Service Boundary:

- the appropriate POCL Client Technical Interface Specification;
- the appropriate POCL Client Application Interface Specification.



- 4.5 The following documents detail the validation that shall be carried out by the Contractor on data received at the ESNCS Service Boundary to the Contractor's OBCS service:
- OBCS Interface High Level Design
  - OBCS Business Process Rules;
  - DSS Client Interface Specification - OBCS.
- 4.6 The following documents detail the validation that shall be carried out by the Contractor on data received at HAPS Service Boundary to the Contractor APS service:
- the HAPS migration specification.
- 4.7 The validation that shall be carried out by the Contractor on data at the manual data entry to POCL Infrastructure Services Service Boundary shall be as set out in Schedules E01, F01, G01, H01 and K01 as appropriate.





## SCHEDULE B09- TIMETABLE-

## 1. TIMETABLE

	EVENT	TO BE
(i)	CSR Core Observation Period	from 31st May, 1999 to 26th July, 1999
(ii)	End of CSR Operational Trial Review Period	by 16th August, 1999
(iii)	Release Authorisation for Core System Release	by 23rd August, 1999
(iv)	Commencement of Rollout of Core System Release	by 23rd August, 1999
(v)	Final Deadline for CSR Acceptance	15th November, 1999
(vi)	Provisional planned date for CSR+	April, 2000



## CODIFIED AGREEMENT

## SCHEDULE B10

## RESTRICTED CONTRACTS

## SCHEDULE B10 - POCL REMEDY AGGREGATIONS

## 1. OVERVIEW

- 1.1. This Schedule aggregates any liquidated damages due as a result of failing to meet the Service Levels relating to maximum Contracted Transaction Times defined in Schedules E8 (APS), F8 (EPOSS), and H8 (OBCS).
- 1.2. The reporting of actual levels of Service as compared with Service Levels, the calculation of liquidated damages and the payment of liquidated damages, shall be in accordance with Schedule A06.
- 1.3. All monetary values specified in this Schedule shall be subject to annual indexation from May 1996. The basis for this indexation shall be the Retail Price Index.

## 2. CALCULATION OF REMEDIES

- 2.1. The liquidated damages for excess time are calculated by aggregating the difference in time between the actual Service component (excluding any manual element) and the contracted Service component (excluding any manual element) of the Contracted Transaction Time, for each of:
  1. APS and EPOSS
  2. OBCS.
- 2.2. The following variables are calculated for each of the following services as defined in Schedules E8, F8, and H8):
  1. APS (from Schedule E8)
  2. EPOSS (from Schedule F8)
  3. OBCS (from Schedule H8)

T: the total number of Transactions for the Service in question in the Service Level reporting period for that Service;

C: the aggregation, as appropriate, of the values of C calculated in accordance with the relevant Service Levels and Remedies Schedule (i.e. E8, F8 or H8) for the Service Level reporting period in question



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CODIFIED AGREEMENT                      SCHEDULE B10                      RESTRICTED CONTRACTS

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2.3.       Values of C and T relating to these Services are distinguished in the formulae below by appending the Service name in parentheses.

2.4.       Transaction numbers (T) and the cumulative variance (C) are considered in two groupings: the first group is OBCS; the second group is EPOSS and APS:

2.5.       Firstly, the totals of the C and T values for OBCS are calculated.

$$T_1 = T(\text{OBCS})$$

$$C_1 = C(\text{OBCS}).$$

2.6.       Secondly, the totals of the C and T values for APS and EPOSS are calculated.

$$T_2 = T(\text{APS}) + T(\text{EPOSS})$$

$$C_2 = C(\text{APS}) + C(\text{EPOSS})$$

2.7.       The following calculations are then carried out for each of  $C_1$  with  $T_1$  and  $C_2$  with  $T_2$ .

2.8.       The Minimum Acceptable Threshold is expressed as  $C_n = \text{zero (0)}$  seconds and no liquidated damages are payable in respect of the Services to which  $C_n$  relates when  $C_n \leq 0$ .

2.9.       The Termination Review Threshold is:

$$C_n > (T_n * 0.5).$$

2.10       The liquidated damages for excess time are calculated, based on the aggregated all Outlet figures of  $C_n$  and  $T_n$  (for the values  $n = 1$  and  $n = 2$ ), as follows:

where  $(C_n > 0)$  and  $(C_n \leq (T_n * 0.2))$ , then the liquidated damages are:

$$C_n * 0.7p;$$

where  $(C_n > (T_n * 0.2))$  and  $(C_n \leq (T_n * 0.3))$ , then the liquidated damages are:

$$(T_n * 0.14p) + ((C_n - (T_n * 0.2)) * 1.0p);$$

where  $(C_n > (T_n * 0.3))$  and  $(C_n \leq (T_n * 0.4))$ , then the liquidated damages are:

$$(T_n * 0.24p) + ((C_n - (T_n * 0.3)) * 1.4p);$$





## CODIFIED AGREEMENT

## SCHEDULE B10

## RESTRICTED CONTRACTS

where  $(C_n > (T_n * 0.4))$  and  $(C_n \leq (T_n * 0.5))$ , then the liquidated damages are:

$$(T_n * 0.38p) + ((C_n - (T_n * 0.4)) * 2.0p).$$

- 2.11. In the event that the actual level of Service falls below the Termination Review Threshold for any two (2) consecutive months then POCL may terminate the Codified Agreement in accordance with Clause 902.2 of the Codified Agreement. For the avoidance of doubt this right of termination is in addition to the general rights of termination specified in paragraphs 4.4 and 4.5 of Schedule A06.



**SCHEDULE C01- POCL OPTIONAL SERVICES**

1. The Contractor shall, if so required by POCL in accordance with Clause 202, provide, on reasonable notice, any or all of:
  - (a) training services as defined in the Training and User Awareness Baseline Document, beyond the volumes described in the solution to requirement 915;
  - (b) Operational Business Change;
  - (c) Out of Hours Support to POCL sites as provided for in paragraph 8.2 of Schedule A12.



**SCHEDULE E01-APS SERVICE DEFINITION****1. INTRODUCTION**

- 1.1. This Schedule details the Automated Payment Service (APS) which the Contractor shall provide.
- 1.2. The APS is a generic POCL Service which, in conjunction with EPOSS, enables POCL to provide a range of payment services to the customers of many POCL Clients. Specific payments and the APS Transactions which support them shall conform to the relevant AP Client Specification, which in turn shall reference POCL APS Generic Rules and appropriate Token Technology Specification(s).  
[FS4.1.2.1]
- 1.3. The Contractor shall provide APS in accordance with the Service Levels set out in Schedule E08.

**2. SCOPE****2.1. Tokens**

- 2.1.1. The APS shall support the following range of Tokens [R543]:
  - Landis & Gyr PISCES Smart Token;
  - GEC Meters WATERCARD Smart Token;
  - Schlumberger Smart Key for the water industry;
  - Schlumberger Smart Key for the electrical industry;
  - Magnetic Stripe Cards;
  - British Gas Quantum Smart Token;
  - Bar coded documents.

- 2.1.2. The Contractor shall provide assistance to implement an interface to additional third party applications/Tokens if so required by POCL. [R544]

**2.2. Clients**

- 2.2.1. The Contractor shall provide the APS to POCL in respect of all its APS Clients as at 15 May 1996. [R544]
- 2.2.2. The Contractor shall develop, implement and maintain the APS in a generic way and provide facilities such that Clients or APS Client Service Types may be added to, modified, or removed from, the APS on a regular basis





for Clients using Tokens supported by the APS. Such changes shall minimise any disruption to the APS, and shall be at minimum cost to POCL. [R544] The full list of Client and APS Client Service Types is recorded in the CCD entitled Automated Payments System Client List as updated from time to time through the Change Control Procedure.

- 2.2.3. The Contractor shall make reasonable endeavours to provide technical assistance to support POCL's relationship with Clients and potential Clients. [R544]

### 3. GENERAL CONSTRAINTS

#### *Service delivery access points*

- 3.1. The Contractor shall deliver the APS using the POCL Infrastructure Services. The Contractor shall ensure that appropriate APS Transaction data shall be available for use within EPOSS. [R546]
- 3.2. The APS shall record all Events and Transactions in an audit trail using the facilities of, and maintained by the POCL Infrastructure Services. [Post discussion with John Dicks]
- 3.3. The Contractor shall make the APS available at all Counter Positions, subject to the limits contained in Annex 5 of Schedule A12, and at such other places where the POCL Service Infrastructure exists. [R546]
- 3.4. The Contractor shall ensure that the availability of each APS Client Service Type at each Outlet is individually controllable on authority from POCL, via Reference Data records. [R546]

### 4. SERVICE BOUNDARY TRANSACTIONS

#### 4.1. Counter Service

##### *Data Capture*

- 4.1.1. The APS shall, as a minimum, validate data, whether read from Tokens or entered by the User, in accordance with a set of rules identified in:
- (a) POCL APS Generic Rules;
  - (b) Token Technology Specifications;
  - (c) the AP Client Specification.



- 4.1.2. The APS shall check data, whether read from Tokens or entered by the User, against any valid Client data or Reference Data for the Client Service Type (e.g. stop lists) and take the action prescribed in the relevant AP Client Specification or Token Technology Specification. [R547]
- 4.1.3. The Contractor shall ensure that data are captured correctly, robustly, accurately, securely and as agreed with POCL. [R547]
- 4.1.4. The APS shall enable the Reversal of Committed Transactions if eligible for Reversal as defined in:
- (a) POCL APS Generic Rules;
  - (b) Token Technology Specifications;
  - (c) AP Client Specification.
- [R549]
- 4.1.5. The Contractor shall provide a secure and auditable process for dealing with such Reversals [R549].
- 4.1.6. The APS shall display User instructions specific to a Client Service Type as identified in the relevant AP Client Specification. [R547]

#### **Token Update**

- 4.1.7. The APS shall write data to APS Tokens in accordance with the rules identified in the appropriate Token Technology Specification, AP Client Specification and POCL APS Generic Rules. [R550]

#### **Customer Receipts**

- 4.1.8. The APS shall ensure that a Transaction is Committed and a receipt is produced for the Customer when one of the following is true [R548]:
- when monies have been recorded as accepted;
  - a Committed Transaction has been reversed;
  - a Token has been issued;
  - a Smart Token has been accessed (including an abandoned or enquiry Transaction).
- 4.1.9. The Transaction receipt shall include, as a minimum, information sufficient to provide a Transaction audit, plus any other information identified in the appropriate AP Client Specification and Token Technology Specification. The receipt produced for a Reversal Transaction shall identify it as a Reversal and identify the original (reversed) Transaction. [R551]



- 4.1.10. The APS shall enable individual Outlets to produce bilingual receipts (Welsh and English). [R551]

**Methods of Payment**

- 4.1.11. The APS shall enable the User to input the Methods of Payment identified in the appropriate AP Client Specification and/or Token Technology Specification. [ext]

**Other services**

- 4.1.12. The APS shall provide a facility that manages the issue at Outlets of replacement APS Tokens and APS Tokens for new Customers as directed by POCL. The detailed operation of the facility shall be specified in the appropriate AP Client Specification and Token Technology Specification when required. [R799 and ext]
- 4.1.13. The APS shall, by use of standard EPOSS facilities, allow authorised Users to retrieve Committed Transaction information for the purpose of resolving Customer queries in Outlets. [R551]

**4.2. External interface services**

**Data delivery**

- 4.2.1. The APS shall maintain and deliver Committed Transactions to POCL and Clients in accordance with the following:
- (a) POCL APS Generic Rules;
  - (b) the appropriate AP Client Specification;
  - (c) Token Technology Specification. [R552]
- 4.2.2. The APS shall ensure and demonstrate that all Committed Transactions have successfully passed from the Outlets through to POCL internal systems and Clients. [R890]
- 4.2.3. The APS shall ensure there is at least one point in the day when all Transactions to be sent to a Client are in step with those to be sent to POCL. [R890]

**Client data collection and distribution**

- 4.2.4. The Contractor shall ensure that Data Files from POCL and Clients are collected/received and validated in accordance with the relevant AP Client Specification, Token Technology Specification and POCL APS Generic Rules. [R553]





- 4.2.5. The Contractor shall ensure that Data Files from POCL and Clients are available to all, groups of, or specific Outlets in accordance with the appropriate AP Client Specification, Token Technology Specification and POCL APS Generic Rules. [R553]

## 5. FALLBACK AND RECOVERY

### *Fallback*

- 5.1. The APS shall include fallback procedures and facilities for situations when a User is unable to use elements or all of the POCL Service Infrastructure (for whatever reason) and this provision shall maintain the integrity, auditability, security and levels of Customer service. [R554]. Such procedures and facilities may include directing Customers to alternative facilities in Outlets with multiple Counter Positions. [S554]
- 5.2. In the event of a printer failure at an Outlet, the APS shall provide the User with sufficient information to enable a receipt to be produced manually. [R551]

### *Recovery*

- 5.3. Following a Service failure, the APS shall ensure that [R554]
- the affected office(s) are automatically returned to a known position and each User is able to identify what Transaction data have to be recovered;
  - any previously recorded data which may have been corrupted are discarded;
  - data recovery can be achieved swiftly and in an auditable way, with minimal impact on Customer service.
- 5.4. The APS shall provide facilities for the re-input (recovery) of previously captured Transaction data which have been lost following an Incident, and for the input (recovery) of the details of Customer Transactions performed whilst the POCL Service Infrastructure was unavailable. [R554]
- 5.5. The APS shall allow the over-riding of certain validation rules for recovery Transactions, as specified in the appropriate AP Client Specification. The APS is not required to produce a receipt for recovered Transactions. [R554]



**6. MANAGEMENT INFORMATION [DERIVED FROM R894]**

- 6.1. The Contractor shall provide management information with reference to service performance in accordance with Schedule E08. The details of this shall be defined in the POCL MIS Reports document.

**7. SUPPORT SERVICES****7.1. APS help desk**

- 7.1.1. The Contractor shall provide an APS support facility through the Horizon System Helpdesk service. The APS support shall be available for use by all Users of APS, as soon as APS is made available to them. [derived]

**7.2. Training**

- 7.2.1. The detailed training specifications shall be defined in "Pathway's Training and User Awareness Baseline Document".

**7.3. User Documentation**

[derived from various requirements inc 915]

- 7.3.1. The Contractor shall produce PPDs in support of the delivery of the APS.
- 7.3.2. The Contractor shall amend/update PPDs as required from time to time in accordance with changes to the APS introduced in accordance with Schedule A05.

**Technical documentation**

- 7.3.3. The Contractor shall provide technical and overview documentation describing the APS. The technical and overview documentation shall be in sufficient detail to allow POCL to market the APS to Clients and potential Clients and to consider the suitability of additional services. [R545]
- 7.3.4. The Contractor shall agree the content of technical documentation and any changes to it with POCL. [R545]

**AP Client Specification**

- 7.3.5. The Contractor shall develop and maintain an AP Client Specification for each Client/Client Service Type of the APS, which includes, but is not limited to: [R545]

a) Client identity and overview.



This section shall identify the Client for whom a specific instance of the APS is to be provided and provides an overview of the Client's business objectives in relation to the APS.

b) Tokens and Methods of Payment

A description of the Token(s) that the Client requires its customers to use and the Method(s) of Payment that are acceptable to the Client.

Transaction data

Contents

Validation

Sort/Substitution/Customisation

Batching

Transfer

c) Other data

Contents

Validation

Availability

d) Client interface specification

A technical specification in sufficient detail to allow the required data exchanges to take place.

e) Client service levels.

f) Reference to the relevant parts of POCL APS Generic Rules and Token Technology Specification, including confirmation of compliance with any mandatory aspects contained therein.

g) Fallback operation

h) Token issue

7.3.6. The Contractor shall agree the content of and changes to the AP Client Specification with POCL before the activation of that APS or change for that Client. [R545]





**SCHEDULE E02 - APS ACCEPTANCE CRITERIA**

1. Subject to Clause 201.6, the APS shall meet the following Acceptance Criteria, namely that APS shall be as specified in Schedule E01 and interwork with the POCL Infrastructure Services specified in Schedule G01, ensuring that:
  - (a) data shall be received, stored, captured and sent in a secure manner, timeously and without corruption; and
  - (b) APS shall be secured against fraudulent attack as far as the Codified Agreement requires; and
  - (c) APS has the contingency arrangements specified in Schedules E01 and E09 and that all contingency arrangements can be implemented successfully; and
  - (d) APS meets the maximum Contracted Transaction Times specified in Schedule E08 and the Minimum Acceptable Thresholds specified in Schedule E08.



## SCHEDULE E03- APS POCL RESPONSIBILITIES

## 1. INTRODUCTION

- 1.1. This Schedule specifies the actions and responsibilities that POCL shall fulfil in order to enable the Contractor to meet its obligations under Schedule E01 and related Schedules.
- 1.2. The table under paragraph 2 below matches the paragraphs in Schedule E01 to the POCL Responsibilities that are set out in Schedule A16 of the Codified Agreement.
- 1.3. For the avoidance of doubt the omission of relevant POCL Responsibilities from paragraph 2 below shall not relieve POCL from any such relevant POCL Responsibilities as are expressed in Schedule A16 of the Codified Agreement.

## 2. POCL RESPONSIBILITIES

Paragraph reference	Responsibility
2.1.1	543
2.1.2, 2.2.1, 2.2.2, 2.2.3	544
3.1, 3.3, 3.4	546
4.1.2, 4.1.3, 4.1.6	547
4.1.4, 4.1.5	549
4.1.7	550
4.1.8	548
4.1.9, 4.1.10, 4.1.13, 5.2	551
4.1.12	799
4.2.1	552
4.2.2, 4.2.3	890
4.2.4, 4.2.5	553
5.1, 5.4, 5.5	554
7.3	915
7.3.3, 7.3.4, 7.3.5, 7.3.6	545
6.1	894



**SCHEDULE E04- APS ROLL-OUT AND IMPLEMENTATION**

1. The roll-out and implementation of those elements of APS to be delivered as part of the Core System shall be coincident with the roll-out and implementation of the POCL Service Infrastructure as defined in Schedule G06.
2. The roll-out and implementation of those additional elements of APS to be delivered as part of CSR+ shall be part of roll-out and implementation of CSR+.





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**SCHEDULE E05- APS SERVICE MANAGEMENT****1. OBJECTIVES OF SERVICE MANAGEMENT**

- 1.1. The objectives of the management of the APS are to monitor and manage the delivery of the APS, and to report on the same to the Contract Steering Group defined in Schedule A04.
- 1.2. The sections below detail (without limitation) the specific objectives of key activities that will be undertaken. The significance of the detailed tasks may vary over the life of this Codified Agreement.

**2. ORGANISATION****2.1. General**

- 2.1.1. The Contractor and POCL shall establish an organisational structure to manage the delivery of the APS in accordance with Schedule E01 and all other applicable provisions hereof. The key roles within this organisation are identified in sections 3 and 4 below.
- 2.1.2. Any changes to the organisation defined in this Schedule shall be made in accordance with Clause 101.2.
- 2.1.3. The specific individuals to fulfil the roles identified in the organisation shall be communicated in writing between the parties to this Codified Agreement.

**3. CONTRACTOR ROLES KEY TO THE DELIVERY OF THE SERVICE****3.1. Introduction**

- 3.1.1. The roles and responsibilities within the Contractor's organisation specific to the delivery of the APS are detailed below. One person may perform more than one of these roles.

**3.2. Operational Service Manager**

- 3.2.1. The Operational Services Manager shall be responsible for building a strategic relationship at the appropriate level in POCL with an emphasis on operational requirements of this Service. The Operational Services Manager shall attend the quarterly Service Review Meeting.



### 3.3. Service Manager

3.3.1. The Service Manager shall be responsible for the overall delivery of the APS to POCL. The Service Manager shall specifically be responsible for:

- a) the maintenance of Service Levels in accordance with Schedule E08;
- b) the provision of monthly service reports as described below;
- c) briefing the Contractor's attendees at the Contract Steering Group Meetings as described in Schedule A04;
- d) briefing the Operational Services Manager in advance of the quarterly service review meetings;
- e) facilitating joint quality initiatives with POCL.

### 3.4. The Service Help Desk Manager

3.4.1. The Horizon System Helpdesk manager for this service shall be responsible for the management of POCL problems and enquiries.

## 4. POCL ROLES KEY TO THE DELIVERY OF THE SERVICE

### 4.1. Introduction

4.1.1. The roles and responsibilities of POCL specific to Service Management are detailed below. One person may perform more than one of these roles.

### 4.2. Business manager

4.2.1. The POCL Business Manager is the individual responsible for the business which the Service supports. The Business Manager shall attend the quarterly Service Review Meeting.

### 4.3. POCL Liaison Manager

4.3.1. The POCL Liaison Manager is responsible for the day-to-day liaison with the Contractor. The POCL Liaison Manager provides the first point of contact with the Contractor. This manager shall specifically be responsible for:



- (a) monitoring delivered Service Levels;
- (b) receipt and analysis of the Contractor's monthly service reports;
- (c) briefing the POCL Business Manager in advance of the Service Review Meetings;
- (d) briefing the POCL attendees at the Contract Steering Group Meetings as described in Schedule A04;
- (e) facilitating joint quality initiatives with the Contractor.

#### 4.4. Key Personnel

- 4.4.1. The specific individuals who fulfil the roles defined for POCL shall be notified to the Contractor in writing in advance of their taking up the post.

#### 5. ESCALATION PROCEDURES

- 5.1. The Contractor and POCL shall operate escalation procedures for issues affecting the APS in accordance with the provisions of Schedule A04 of the Codified Agreement.

#### 6. MONITORING

##### 6.1. Service Reporting

- 6.1.1. The Contractor shall provide POCL with monthly service management reports, which shall be produced within five(5) working days of the calendar month end, unless agreed otherwise. The service management reports shall allow POCL to monitor the Contractor's Service provision and achievement of the Service Levels.
- 6.1.2. Service management reports shall include but are not restricted to the following attributes:
  - (a) availability of service;
  - (b) service breaks/service failures;
  - (c) planned maintenance breaks;
  - (d) service delivery changes; and
  - (e) Incidents resolved and outstanding;





(f) and data to support Schedule E8.

6.1.3. The Contractor shall provide POCL with access to the raw data used to generate service management reports when requested to allow POCL to generate POCL internal reports.

## 6.2. Service Review Meetings

6.2.1. The POCL Business Manager and the Contractor's Operational Service Manager shall meet every three months (or as otherwise agreed by the POCL Business Manager and the Contractor's Operational Service Manager) to review Service Levels, Incidents and Problems reported in the previous period.

6.2.2. In addition POCL shall advise the Contractor of its requirements for implementation of the Service at new Outlets.

6.2.3. Other Contractor staff and POCL staff may attend these meetings at the request of either the Contractor or POCL to resolve particular matters on the agenda.

6.2.4. A typical agenda for such a meeting may include, without limitation:

- (a) Service management reports;
- (b) highlights of previous period's service statistics, concentrating on failures to meet required Service Levels, including major Incidents reported, Service trends and Service achievements;
- (c) explanation of unresolved Incidents and, in particular, any matters still outstanding;
- (d) review of the on-going actions, such as fault correction, agreed service changes and any POCL related work;
- (e) change management progress report;
- (f) suggestions for improvements to Service;
- (g) advance notification of major changes and new work, and review of the impact these may have on Service requirements;
- (h) any implementation requirements.



- 6.2.5. The Contractor shall prepare the necessary reports for discussion at these meetings.
- 6.2.6. POCL shall keep a record of these meetings and shall distribute the record to the Contractor and to the POCL Contract Manager for review at the Contract Steering Group Meeting (see Schedule A04).
- 6.2.7. The Service Review Meeting shall normally take place at least five (5) days after the delivery date of each third monthly service management report provided by the Contractor



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SCHEDULE E06

RESTRICTED CONTRACTS

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SCHEDULE E06- APS SERVICE TRANSFER

This schedule is not used and is intentionally blank.





NOT USED



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SCHEDULE E08 - APS SERVICE LEVELS AND REMEDIES

## 1. PURPOSE

1.1. This Schedule specifies the generic Service Levels for APS. No specific implementation of the APS for a Client(as defined in an AP Client Specification) shall operate at a lower standard of Service Levels than these generic Service Levels.

1.2. A specific AP Client Specification may add Service Levels and remedies in areas not covered by the generic service levels and remedies described below.

*Service availability*

1.3. The APS shall be fully available in an Outlet whenever that Outlet is open, either through normal procedures or in fallback unless otherwise agreed by POCL.

*Transaction time*

1.4. The maximum Contracted Transaction Time (including manual, EPOSS, and APS components) of a single APS supported Transaction within a Customer Session shall be:

Transaction types (APS)	Maximum Contracted Transaction Times (seconds)
Cash payment, no tokens handed back to customer, using a magnetic card	19.96
Cash payment, tokens handed back to customer, using a magnetic card	21.52
Cash payment, using Smart Token	26.56

1.5. The automated APS components to be measured on an actuals basis shall be determined by reference to the CCD entitled "Counter Transaction Performance Measurement and Benchmarking". Target times shall be agreed between POCL and the Contractor prior to the Operational Trial Acceptance Date and shall be recorded in the APS Benchmark Counter Transaction Times document against the APS Transaction Types shown in table above. Target times for future releases shall be agreed prior to release authorisation and the APS Benchmark Counter Transaction Times document will be updated



## CODIFIED AGREEMENT

## SCHEDULE E08

RESTRICTED CONTRACTS

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- 1.5.1 The printer component actual time shall be measured in accordance with section 7/8 of the CCD entitled "Counter Transaction Performance Measurement and Benchmarking".
- 1.5.2 For the calculation of 'C(APS)' as defined in paragraph 3.1.2 the actual printer system time, will be deemed to be the same as the benchmark time recorded in the CCD entitled "APS Benchmark Counter Transaction Times" except on the occasions that actual measurements are taken as per 1.5.1

*Data File collection/receipt and delivery*

- 1.6. Delivery of Transaction records shall not normally be before 03:00 on the day following the completion of Transaction (referred to as "day B" in the tables below).
- 1.7. Immediate data collected or received by 20:00 shall be available at all relevant Counter Positions by the start of the following POCL Core Day. Advance data collected or received by 20:00 shall be available at all relevant Counter Positions by the start of the second POCL Core Day after collection or receipt. [R553]
- 1.8. The principles for the classification of Data Files as immediate or advance shall be contained in the CCD entitled "POCL Automated Payment Generic Rules".





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2. SERVICE LEVELS

Service Requirement	Reporting Period	Service Level Threshold	
		Minimum Acceptable (MA)	Termination Review (TR)
1.APS Transaction times	Monthly	All APS Transactions operate within the maximum Contracted Transaction Times in the table under paragraph 1.4	The overall average Transaction Time is more than half a second greater than the maximum Contracted Transaction Times in the table under paragraph 1.4
2.Data File delivery	Monthly	<p>97% of all Transaction records delivered by day B;</p> <p>99% of all Transaction records delivered by day C (i.e. 1 day after day B);</p> <p>100% of all Transaction records delivered by day D (i.e. 1 day after day C);</p>	98% of all Transaction records delivered by day D;



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Service Requirement	Reporting Period	Service Level Threshold	
		Minimum Acceptable (MA)	Termination Review (TR)
3. APS reference data	Monthly	<p>97% of Counter Positions can access the data the next POCL Core Day</p> <p>99% of Counter Positions can access the data the second POCL Core Day following;</p> <p>100% of Counter Positions can access the data the third POCL Core Day following;</p>	n/a
4.			

Note: There is, at present, workgroup activity taking place between POCL and ICL Pathway that will revisit and upgrade Reference Data SLA's. The resultant SLA findings will be applied post- NR2 implementation.



### 3. REMEDIES

#### 3.1. Liquidated Damages

##### *Transaction times*

3.1.1. The liquidated damages payable by the Contractor shall be based on a series of measurements, accumulated over a range of Services. This Schedule specifies the contribution made by the APS, while the formulae for calculating the value of the liquidated damages and the effects of the accumulation of effects over the range of Services is described in Schedule B10.

3.1.2. The following variables shall be recorded and used in calculating the remedies:

- T(APS): the total number of APS Transactions in the reporting period;
- C(APS): the total accumulated difference between the actual measured variable system components and the agreed benchmarked variable system components in the CCD entitled "APS Benchmark Counter Transaction Times" against the APS Transaction Types shown in the table in paragraph 1. 4 plus the total accumulated difference between the agreed benchmarked total transaction times and the maximum total transaction times.

3.1.3. In calculating the value for C(APS) above, APS Transactions which take place in fallback mode (and therefore cannot be accurately accounted for in Service measurements) shall be considered to have taken a synthesised time.

3.1.4. The following Fallback scenarios have been identified by the Contractor:

- (a) Token failure  
The Service fails to read the magnetic stripe on the Token due to, for example, damaged Token.  
Assumes Counter Clerk shall swipe the Token twice before keying Token number. The Contractor shall distinguish between a token failure and a token reader failure.
- (b) Token reader failure  
Assumes Counter Clerk knows Token reader is faulty and therefore does not swipe Token before keying Token number. In multi-Counter Position Outlets, where practical, Customers shall be directed to another Counter Position and fallback procedures need not be invoked.





- (c) Smart Token / Key failure  
The Service fails to read the Smart Token/Key due to, for example, damaged Token/Key. Such Transactions cannot be manually processed as it is not possible to write to/from the Token/Key and shall become lost Transactions.
- (d) Smart Token / Key reader failure  
Assumes Counter Clerk knows Token/Key reader is faulty. In multi-Counter Position Outlets, where practical, Customers shall be directed to another Counter Position. In single Counter Position Outlets, such Transactions cannot be manually processed as it is not possible to write to/from the Token/Key and shall become lost Transactions.
- (e) Printer failure  
Assumes receipt cannot be printed and Counter Clerk must use zip-zap machine to imprint Token details on the receipt with further details being hand-written. For Smart Tokens, where details are not embossed on the Token, all details must be hand-written on the receipt. In multi-Counter Position Outlets, where practical, Customers shall be directed to another Counter Position and fallback procedures need not be invoked.
- (f) PC failure  
This may be due to either the PC, monitor or keyboard failing. For Token Transactions, the Counter Clerk shall use the zip-zap machine to imprint the Token details on the receipt with further details being hand-written. The receipt shall later be used to capture the Transaction when the Service becomes available. In multi-Counter Position Outlets, where practical, Customers shall be directed to another Counter Position and fallback procedures need not be invoked.

3.1.5. The following table identifies the synthesised times for a range of fallback scenarios. These times shall be validated as part of Operational Trial, and adjusted by agreement between the parties. The difference between the synthesised times and the appropriate Contracted Transaction Time shall be added to C(APS). The Contractor shall report to POCL occurrences of each scenario. The synthesised times for the fallback scenarios are:



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	Fallback Reason	Cashpayment, no Tokens handed back to customer, using magnetic card	Cash payment, Tokens handed back to customer, using magnetic card	Cash payment, using Smart Token or key
1	Token failure	-	-	-
2	Token reader failure	21.21 seconds	24.42 seconds	-
3	Smart Token failure	-	-	-
4	Smart Token reader failure	-	-	Lost Transaction
5	Printer failure	47.07 seconds	50.28 seconds	47.70 seconds
6	PC failure	45.51 seconds	52.68 seconds	Lost Transaction

3.1.6. The liquidated damages for excess time are calculated, based on the all Outlet figures of  $T_2$  and  $C_2$  as described in Schedule B10.

3.1.7. In the event that the actual level of Service falls below the Termination Review Threshold for any two (2) consecutive months then POCL may terminate the Codified Agreement in accordance with Clause 902.2 of the Codified Agreement. For the avoidance of doubt this right of termination is in addition to the general rights of termination specified in paragraphs 4.4 and 4.5 of Schedule A06.

#### Lost Transactions.

3.1.8. Where it is agreed that a Transaction is classified as having no fallback and component failures prevent the Transaction from taking place at an automated Counter Position, a synthesised number of lost Transactions shall be calculated. The number of seconds to be attributed shall be calculated by summing the Contracted Transaction Times for each Transaction lost.

The Contractor shall be able to determine the number of normal transactions (ie not performed in fallback) for any time span, for each Outlet, over the prior month. At



month end, for each reported incidence of fallback operation, the system shall estimate the number of APS Transactions performed in fallback during the specific period by accumulating the total number of APS transactions performed in that Outlet in equivalent time spans of the same day of the week during the preceding four weeks and dividing by four. If no matching period for any of the four weeks can be identified then the number of transactions in that particular period of the week may be assumed to be zero

*Data file delivery*

- 3.1.9. The liquidated damages due to late delivery of Data Files are calculated as follows:

Liquidated damages =  
(((100 - actual level of Service by day D) / 100) \*  
total number of Transactions \* 1.0 pence) +  
(((99 - actual level of Service by day C) / 100) \*  
(total number of Transactions - any also failing at  
day D) \* 1.0 pence) +  
(((97 - actual level of Service by day B) / 100) \*  
(total number of Transactions - any also failing at  
day D and day C) \* 1.0 pence).





SCHEDULE E09- POCL CONTINGENCY SERVICES

1. The APS Contingency Services shall be as specified in the contingency plans to satisfy Requirement 830 in Schedule A15.



**SCHEDULE F01- EPOSS SERVICE DEFINITION****1. INTRODUCTION**

- 1.1. This schedule details all the requirements relating to the EPOS Service (EPOSS) which the Contractor shall provide.
- 1.2. The Contractor shall be responsible for all the resources, facilities, procedures and systems necessary to deliver the POCL Service specified in this Schedule.

**2. SCOPE**

- 2.1. EPOSS shall provide functions across four service boundaries:
  - (a) to the Counter Clerk in support of direct Customer service, including a till function and in support of POCL Services delivered over the POCL Service Infrastructure;
  - (b) to the Counter Clerk and other Users within Outlets in support of EPOSS Administration (including reporting functionality);
  - (c) transfer of data to Client and POCL systems and services outside the POCL Service Infrastructure;
  - (d) for management information.
- 2.2. [Not used]
- 2.3. The Contractor shall provide EPOSS in every Outlet for all the hours that each is open for business. [From B03]

**3. CONSTRAINTS****General**

- 3.1. EPOSS shall be provided solely through the medium of the POCL Infrastructure Services. [Implied by 835]
- 3.2. Where date and time data are required, EPOSS shall use that set within the POCL Service Infrastructure. [R806]
- 3.3. EPOSS shall have the facility to accept data, via the POCL Infrastructure Services, from a variety of media including, but not limited to, Tokens, keyboard, electronic scales, and bar codes. EPOSS shall allow additional functionality to accept data from other agreed peripheral devices to be added. [R825]



- 3.4. EPOSS shall be event driven so that data capture and the recording of information relating to POCL Services using the POCL Infrastructure Services is dynamic. EPOSS shall be flexible enough to support the introduction of new POCL Services using the POCL Infrastructure Services in an integrated manner and thereby ensure that any new POCL Product is event driven and that EPOSS is automatically updated. [R825]
- 3.5. EPOSS shall be flexible enough to support the introduction of new POCL Services for Clients in an integrated manner and ensure that any new POCL Product can be added, and that EPOSS is automatically updated. [R811]
- 3.6. EPOSS shall ensure that all Transaction and process data captured through EPOSS are available to any POCL Service delivered through the medium of OPS and specified by POCL as requiring access to those data. [R823]
- 3.7. Access to EPOSS shall be under the control of the User access facilities of the OPS and shall allow specific EPOSS functions to be restricted to authorised Users. Each function within EPOSS shall have an associated User authority level into which Users can be assigned by the Outlet manager. [R816, 820]
- 3.8. EPOSS shall be a robust POCL Service, including features to:
- (a) check internal consistency, reporting errors, warning of non critical errors and preventing critical errors;
  - (b) refuse deletions if there is dependent business data which would lead to inconsistency of data within the POCL Service Infrastructure;
  - (c) make Reference Data available at the counter terminals;
  - (d) check Reference Data consistency and report exceptions. [R818]

#### 4. SERVICE BOUNDARY TRANSACTIONS

##### 4.1. General

- 4.1.1. EPOSS shall provide reconciliation and accounting facilities for all Transactions using EPOSS.





**4.2. Counter Service**

4.2.1. EPOSS shall include the ability to subject Transaction data to validation by format or value, or against Reference Data. [R810]

4.2.2. For each Transaction processed at a Counter Position through the POCL Service Infrastructure EPOSS shall capture the following information where such information is available: [R836]

(a) value of each Transaction;

(b) a unique code for each POCL Product across all Clients;

(c) source (i.e. Outlet, User and Till identification);

(d) Client reference and Client scheme or product reference for each Transaction;

(e) Customer identification and details (e.g. for Transactions involving cheques, passports, motor tax discs);

(f) Method of Payment;

(g) date and time of the Transaction;

and update a record of the total volume of Transactions.

4.2.3. EPOSS shall maintain a Transaction log for any Balancing Period in the POCL Outlet Accounting Period in such a way as to allow the User to refer back to a previous Transaction, to identify a unique Transaction identifier for the purposes of Reversal or for the resolution of enquiries. [R804]

4.2.4. For the avoidance of doubt, EPOSS shall, subject to POCL business and accounting rules, allow zero-value Transactions. Such Transactions shall be recorded in logs and audit trails, and reported against in the same way as Transactions with a value. [R960]

**Till function**

4.2.5. EPOSS shall record all Transactions between a Customer and a Counter Clerk, grouping contiguous Transactions for one Customer into a Customer Session. [R825]

4.2.6. Before a Counter Clerk is allowed to record Customer Transactions on EPOSS, EPOSS shall require that the Counter Clerk has validly connected to a Stock Unit, either exclusively or shared with other Counter Clerks,



against which his Transactions are to operate. [FS  
4.1.3.1.2.1]

**Customer Session**

4.2.7. Within a Customer Session EPOSS shall allow:

(a) Transactions, including amendment of Transactions not yet committed;

(b) Reversals;

Reversals may be entered by a User other than the User who recorded the original Transaction, but Reversals of a Reversal are not allowed. [R812]

(c) Void Transactions; and

(d) Refunds relating to previous Transactions; [R800]

subject to Client and POCL business and accounting rules as notified by POCL and agreed by the parties from time to time. [R825, R810]

4.2.8. EPOSS shall record each Transaction and each Customer Session such that they can be uniquely identified within the Balancing Period in which they occurred. [R800]

4.2.9. EPOSS shall provide a facility for Counter Clerks to maintain multiple concurrent Customer Sessions, including the ability to suspend and recall Customer Sessions and their dependent Transactions. [R825]

4.2.10. Within a Customer Session, EPOSS shall maintain the record of Transactions performed, the current balance, accounting sense (i.e. pay-in or pay-out) and settlement details. [R809, R825]

4.2.11. EPOSS shall provide a cash tendered facility to calculate change due to the Customer. Use of this feature shall be at the discretion of the User and not forced by EPOSS. [R800]

**Receipts [R693]**

4.2.12. EPOSS shall allow production of:

(a) a non VAT receipt for Customers to support a specific POCL Service e.g. APS;

(b) a VAT receipt for Customers at the end of each Customer Session, but before the next Transaction is entered;



- (c) receipts in support of other POCL Services; and
  - (d) additional (duplicate) receipts and they shall be marked as such.
- 4.2.13. For appropriate Transactions (as be specified by POCL) EPOSS shall automatically generate a receipt for Customers and a copy shall be retained in the Outlet to allow recovery or problem resolution. [R832d]
- 4.2.14. The Contractor shall agree the format of all styles of receipts with POCL before they are used operationally.
- 4.2.15. All receipts produced by EPOSS shall meet the requirements of the Welsh Language Act.

**Product/Price Look-Up**

- 4.2.16. EPOSS shall determine the price, where applicable, for each POCL Product involved in a Transaction during a Customer Session. The price shall be determined by use of Reference Data, and, where applicable, from data made available by the OPS (including, but not limited to, weight information from electronic scales connected to the OPS). EPOSS shall determine the price type as follows:
- (a) fixed price - where the price is held in Reference Data; or
  - (b) variable price (open) - where the User enters the actual price. If the valid range excludes zero the User is forced to enter a non zero price; or
  - (c) variable price (default) - where the default price is non zero. The User can either accept this price or overtype to change it within the valid range. [R824, R801]
- 4.2.17. EPOSS shall allow the manual input of weight values where scales are not linked. [R825]
- 4.2.18. EPOSS shall provide the facility for the Counter Clerk to determine the unit quantity of a given Stock Item available for a tendered monetary amount. [R810]
- 4.2.19. EPOSS shall provide a facility to Rate Shop. [R810]
- 4.2.20. EPOSS shall allow discounting for relevant POCL Products. A list of discountable POCL Products shall be maintained in Reference Data supplied by POCL. EPOSS shall allow the Counter Clerk to enter the discount by either a percentage or a value for the last Transaction





or for all discountable POCL Product Transactions in the Customer Session. [R817]

*Methods Of Payment*

- 4.2.21. EPOSS shall provide the facility to record, against each Customer Transaction, the Method(s) Of Payment used, and the amounts settled by each Method Of Payment. This shall include the ability to accept separate, or multiple, Methods Of Payment for the same Transaction. [R825, R692]
- 4.2.22. EPOSS shall allow the implementation of new types of Methods of Payment, including without limitation debit cards and EFTPOS. [R825, R692]
- 4.2.23. EPOSS shall be capable of validating Methods Of Payment against business rules for individual Transactions. [FS 4.1.3.1.5]

*Retail functionality*

- 4.2.24. EPOSS shall provide, at a date to be agreed between the Parties, the point of sale retail functionality in use in PostShops. This includes, but is not restricted to: [R839]
- (a) Till functionality;
  - (b) discounting;
  - (c) coupon management;
  - (d) multibuy;
  - (e) promotions;
  - (f) marketing;
  - (g) reporting

**4.3. EPOSS Administration**

*Reference data [R818]*

- 4.3.1. EPOSS shall provide a facility to update Reference Data files with Reference Data supplied from the POCL Reference Data System. It shall be possible for a date and time stamp to be applied to Reference Data identifying when the change is to be activated, to facilitate timely price changing.



- 4.3.2. When an update to Reference Data is made, each affected Outlet shall be warned by EPOSS at the start of the next POCL Core Day that a change has been made.
- 4.3.3. Reference Data shall also define the availability of specific POCL Products in each Outlet. Such availability shall be controlled centrally, and an Outlet shall not be able to modify such data. [R821/FS 4.1.3.1.1]

#### **Stock units**

- 4.3.4. EPOSS shall provide each Outlet with the flexibility to set Stock Unit(s) according to the local working practice requirement. Each Stock Unit can in turn be tied to both a User or group of Users or a single Till or group of Tills. [R695]
- 4.3.5. EPOSS shall ensure that Stock Unit options and assignments chosen for an Outlet can be changed as and when required, subject to controls as agreed with POCL and with minimal impact to the Users. [R695]
- 4.3.6. EPOSS shall provide a mechanism to allow only authorised Users access to the data and processing associated with each Stock Unit. [R695]
- 4.3.7. EPOSS shall allow each Stock Unit to be Balanced individually. The Stock Unit may be Balanced more than once within a POCL Outlet Accounting Period. Cash and Stock Items shall be entered by denomination or Stock Item level. At the end of the POCL Outlet Accounting Period an Outlet Balance is struck with the details provided by the Balanced Stock Units. [R695]

#### **Stock And Money Management**

- 4.3.8. For each Stock Unit, EPOSS shall maintain the current Stock record for Value Stock Stock Items and Methods of Payment to reflect the Transactions completed. [R802]
- 4.3.9. EPOSS shall allow the movements of Value Stock Stock Items and Methods of Payment into and out of Stock Units within the same Outlet to be recorded. The data recording a movement shall be entered in a Transaction Session similar to a Customer Session except that the session total comes to the Transfer total rather than to zero. However, EPOSS shall adjust overall item Stock levels when the data entry session is complete so that the "balance" of the Stock Unit is maintained. Each movement is entered to the current Balancing Period for the Stock Unit. [R807]



## CODIFIED AGREEMENT

## SCHEDULE F01

## RESTRICTED CONTRACTS

- 4.3.10. EPOSS shall provide a facility to reconcile Non-value Stock Stock Items with unique serial numbers. Reconciliation shall be by volume and by Stock Unit as:
- (a) number on hand at the start of the POCL Outlet Accounting Period;
  - (b) number received;
  - (c) number on hand at close of POCL Outlet Accounting Period;
  - (d) number issued/spoilt/returned. [R808]
- 4.3.11. EPOSS shall provide a Suspense Account facility where items that cannot be cleared operationally during one POCL Outlet Accounting Period can be identified and carried forward to the next. [R808] Authorised Users shall be able to identify items posted to the Suspense Account. [R832q]
- 4.3.12. EPOSS shall provide a facility to re-value fixed prices, including the efficient revaluation of multiple Value Stock Stock Items of the same generic type. The revaluation process must automatically make any necessary accounting adjustments to maintain the Stock Unit balance. [R813]
- 4.3.13. EPOSS shall provide the facility to manage and report on the movement of Cash or Stock Items, either at Stock Unit level within each Outlet, or at the level of transfers to and from other locations external to each Outlet. [FS 4.1.3.3.2.6 - 4.1.3.3.2.8]
- 4.3.14. EPOSS shall provide a facility to adjust cash and Stock levels to reflect the actual levels on hand when required, including provision for any necessary accounting adjustments. [R695]
- 4.3.15. EPOSS shall provide a function to record the value of cash held in the Stock Unit by denomination: [R814]
- (a) as part of the Cash Flow Reporting process;
  - (b) as part of the Stock Unit Balancing process.
- 4.3.16. The EPOSS shall allow entry by cash value for each denomination and total value declared (including zero value entries). The EPOSS maintained Stock value for the cash Method of Payment shall not be altered during the process. The User shall be advised of any discrepancy to warn of potential errors and (in Balancing) the implied balancing loss or gain. Where no activity has occurred to change the last known cash position, EPOSS shall





allow the last known declaration to be carried forward for Cash Flow reporting purposes. [R814]

#### ***Dormant stock units***

- 4.3.17. EPOSS shall allow a facility to bring unused Stock Units (that is those for which no activity has taken place since their most recent final Balance), and their Stock Unit information, forward into the next POCL Outlet Accounting Period. This facility may be used at any time, under the control of the Outlet Manager. [R815]

#### ***Accounting***

- 4.3.18. EPOSS shall accurately maintain data and record all Transaction Sessions as double entries. If EPOSS is interrupted or fails during a Customer Session the POCL Service Infrastructure shall ensure that data capture is resilient and consistent with the need to retain a balanced status. [R803]

#### ***Report Production***

- 4.3.19. The media for, and format and contents of reports and summaries available from EPOSS shall be agreed and specified in "Horizon OPS Reports and Receipts".
- 4.3.20. Changes to the POCL Product range and the internal reporting structure within current principles shall be possible by Reference Data rather than by Software update. [R818]
- 4.3.21. EPOSS shall be able to produce Reports at the User's discretion, subject to POCL and Client rules on frequency of despatch and POCL Outlet Accounting Periods. Client Reports shall be produced on a daily or weekly basis. Where operationally appropriate, several weekly Reports shall be produced during a POCL Outlet Accounting Period. [R837]
- 4.3.22. EPOSS shall allow the User to preview on-screen, or print, each Report. [R696]

#### ***4.4. External interfaces***

- 4.4.1. All Transactions and actions undertaken in EPOSS shall be recorded in an audit trail by use of, and maintained by, the POCL Infrastructure Services. [FS 4.1.3.1]
- 4.4.2. EPOSS shall allow TMS to pass all recorded information to agreed remote systems outside the POCL Service Infrastructure(including but not limited to TIP). [R811]



**4.5. Management information**

- 4.5.1. EPOSS shall have the facility to allow input of Transaction related data after the event for items required for management information which may not impact on the Outlet Balance. [R838]

**Audit [R805,816]**

- 4.5.2. EPOSS shall maintain a log of Transactions and Events, including fallback and Recovery actions, attempted and actioned at Stock Unit level for any Balancing Period in the current POCL Outlet Accounting Period.
- 4.5.3. EPOSS shall provide a facility to allow authorised Users to inspect the log activities on the Stock Unit within the POCL Outlet Accounting Period, for example to support the resolution of enquiries or to review all attempts to access a Stock Unit.
- 4.5.4. A complete set of Outlet Records, for a rolling period of 18 months, shall be maintained as available for retrieval and review (but not amendment).
- 4.5.5. On retrieval all Records shall be packaged in weekly batches as a complete POCL Outlet Accounting Period cycle.

**5. INTERFACE TO POCL SERVICES**

- 5.1. EPOSS shall allow the integration of Transactions of other POCL Services using the POCL Infrastructure Services with the Transaction recording elements of EPOSS such that: [R835]
- (a) there is no necessity to manually notify the EPOSS of the Transaction;
  - (b) there is a single Transaction Record created and stored to provide the basis for Outlet summarisation and Balancing and Transaction level data transfer;
  - (c) Transaction Records created and stored shall be entirely consistent with any data transferred at the time of the Transaction to systems and services outside the POCL Service Infrastructure;
  - (d) Transaction times are kept to a minimum.

**6. RESILIENCE, RECOVERY, AND FALLBACK**

- 6.1. EPOSS shall provide fallback facilities for situations where the User cannot use the POCL Infrastructure



Services for any reason. These facilities shall maintain the integrity, security and levels of Customer service consistent with the need to maintain trading. [R820]

6.2. EPOSS shall ensure that, in the event of an Incident, data integrity is maintained and that no corruption of data is introduced arising from the interruption of any uncompleted activity. [R823]

6.3. EPOSS shall ensure that, following an Incident, or if operationally desirable for any other reason,

(a) the User can return to a complete and recent position;

(b) no corruption of secured data has occurred; and

(c) a full recovery can be effected swiftly and in an auditable manner. [R820]

## 7. SUPPORT SERVICES

### 7.1. General

7.1.1. The Contractor shall provide, develop, and maintain, prior to the implementation of EPOSS, PPDs and other materials required for its operation.

### 7.2. EPOSS help desk

7.2.1. The Contractor shall provide an EPOSS support facility through the Horizon System Helpdesk. The EPOSS support shall be available for use by all Users of EPOSS, as soon as EPOSS is made available to them.

### 7.3. Training

[FS 4.1.3.3.6]

[R531, R532, R533, R534, R833, R949]

7.3.1. The detailed training specifications shall be defined in "Pathway's Training and User Awareness Baseline Document".

7.3.2. For training purposes, EPOSS shall provide a built-in training mode which:

(a) Allows the serving of (imaginary) Customers for all Customer Transactions.





- (b) Allows all operations used in accounting and balancing of a Stock Unit.
  - (c) Is generally functionally indistinguishable from normal operation, except that clear indication is permanently provided that training mode is in use.
  - (d) Records all counter operations and Transactions.
  - (e) Can be used at any time by any User (including in a live Outlet environment).
  - (f) Allows the production of receipts and Reports.
- 7.3.3. EPOSS shall provide an effective training mode through the implementation of "training" Stock Units and will segregate these from operational Stock Units and the normal office accounting processes.



**SCHEDULE F02- EPOSS ACCEPTANCE CRITERIA**

1. Subject to Clause 201.6, the EPOSS shall meet the following Acceptance Criteria, namely that EPOSS shall be as specified in Schedule F01 and interwork with the POCL Infrastructure Services specified in Schedule G01, ensuring that:
  - (a) data shall be received, stored, captured and sent in a secure manner, timeously and without corruption; and
  - (b) EPOSS shall be secured against fraudulent attack as far as the Codified Agreement requires; and
  - (c) EPOSS has the contingency arrangements specified in Schedules F01 and F09 and that all contingency arrangements can be implemented successfully; and
  - (d) EPOSS meets the maximum Contracted Transaction Times specified in Schedule F08 and the Minimum Acceptable Thresholds specified in Schedule F08.



CODIFIED AGREEMENT                      SCHEDULE F03                      RESTRICTED CONTRACTS

SCHEDULE F03- EPOSS AUTHORITY RESPONSIBILITIES

1.        INTRODUCTION

- 1.1.      This Schedule specifies the actions and responsibilities that POCL shall fulfil in order to enable the Contractor to meet its obligations under Schedule F01 and related Schedules.
- 1.2.      The table under paragraph 2 below matches the paragraphs in Schedule F01 to the POCL responsibilities that are set out in Schedule A16 of the Codified Agreement.
- 1.3.      For the avoidance of doubt the omission of relevant POCL Responsibilities from paragraph 2 below shall not relieve POCL from any such relevant POCL Responsibilities as are expressed in Schedule A16 of the Codified Agreement.





## CODIFIED AGREEMENT

## SCHEDULE F03

## RESTRICTED CONTRACTS

## 2. POCL RESPONSIBILITIES

Paragraph reference	Responsibility
3.1	835
3.2	806
3.3	825
3.4	825
3.5	811
3.6	823
3.7	816, 820
3.8	818
4.2.1	810
4.2.2	836
4.2.3	804
4.2.4	960
4.2.5	825
4.2.7(b)	812
4.2.7(d)	800, 825, 810
4.2.8	800
4.2.9	825
4.2.10	809, 825
4.2.11	800
4.2.12	693
4.2.13	832e
4.2.16	824, 801
4.2.17	825
4.2.18	810
4.2.19	810
4.2.20	817
4.2.21	825, 692
4.2.22	825, 692
4.2.24	839
4.3	818
4.3.3	821
4.3.4	695
4.3.5	695
4.3.6	695
4.3.7	695
4.3.8	802
4.3.9	807
4.3.10(d)	808
4.3.11	808, 832
4.3.12	813
4.3.14	695
4.3.15	814
4.3.16	814
4.3.17	815
4.3.18	803
4.3.20	818
4.3.21	837



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## SCHEDULE F03

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4.3.22	696
4.4.2	811
4.5.1	838
4.5.2	805,816
5.1	835
6.1	820
6.2	823
6.3	820
7.3	531,532, 533, 534, 833, 949



CODIFIED AGREEMENT

SCHEDULE F04

RESTRICTED CONTRACTS

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SCHEDULE F04- ROLL-OUT AND IMPLEMENTATION

1. The roll-out and implementation of EPOSS shall be coincident with the roll-out and implementation of the POCL Service Infrastructure as defined in Schedule G06.





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**SCHEDULE F05- EPOSS SERVICE MANAGEMENT****1. OBJECTIVES OF SERVICE MANAGEMENT**

- 1.1. The objectives of the management of the EPOSS are to monitor and manage the delivery of the EPOSS, and to report on the same to the Contract Steering Group defined in Schedule A04.
- 1.2. The sections below detail (without limitation) the specific objectives of key activities that will be undertaken. The significance of the detailed tasks may vary over the life of this Codified Agreement.

**2. ORGANISATION****2.1. General**

- 2.1.1. The Contractor and POCL shall establish an organisational structure to manage the delivery of the EPOSS in accordance with Schedule F01 and all other applicable provisions hereof. The key roles within this organisation are identified in sections 3 and 4 below.
- 2.1.2. Any changes to the organisation defined in this Schedule shall be made in accordance with Clause 101.2.
- 2.1.3. The specific individuals to fulfil the roles identified in the organisation shall be communicated in writing between the parties to this Codified Agreement.

**3. CONTRACTOR ROLES KEY TO THE DELIVERY OF THE SERVICE****3.1. Introduction**

- 3.1.1. The roles and responsibilities within the Contractor's organisation specific to the delivery of the EPOSS are detailed below. One person may perform more than one of these roles.

**3.2. Operational Service Manager**

- 3.2.1. The Operational Services Manager shall be responsible for building a strategic relationship at the appropriate level in POCL with an emphasis on operational requirements of this Service. The Operational Services Manager shall attend the quarterly Service Review Meeting.



### 3.3. Service Manager

3.3.1. The Service Manager shall be responsible for the overall delivery of the EPOSS to POCL. The Service Manager shall specifically be responsible for:

a) the maintenance of Service Levels in accordance with Schedule F08;

b) the provision of monthly service reports as described below;

c) briefing the Contractor's attendees at the Contract Steering Group Meetings as described in Schedule A04;

d) briefing the Operational Services Manager in advance of the quarterly service review meetings;

e) facilitating joint quality initiatives with POCL.

### 3.4. The Service Help Desk Manager

3.4.1. The Horizon System Helpdesk manager for this service shall be responsible for the management of POCL problems and enquiries.

## 4. POCL ROLES KEY TO THE DELIVERY OF THE SERVICE

### 4.1. Introduction

4.1.1. The roles and responsibilities of POCL specific to Service Management are detailed below. One person may perform more than one of these roles.

### 4.2. Business manager

4.2.1. The POCL Business Manager is the individual responsible for the business which the Service supports. The Business Manager shall attend the quarterly Service Review Meeting.

### 4.3. POCL Liaison Manager

4.3.1. The POCL Liaison Manager is responsible for the day-to-day liaison with the Contractor. The POCL Liaison Manager provides the first point of contact with the Contractor. This manager shall specifically be responsible for:



- (a) monitoring delivered Service Levels;
- (b) receipt and analysis of the Contractor's monthly service reports;
- (c) briefing the POCL Business Manager in advance of the Service Review Meetings;
- (d) briefing the POCL attendees at the Contract Steering Group Meetings as described in Schedule A04;
- (e) facilitating joint quality initiatives with the Contractor.

#### 4.4. Key Personnel

- 4.4.1. The specific individuals who fulfil the roles defined for POCL shall be notified to the Contractor in writing in advance of their taking up the post.

### 5. ESCALATION PROCEDURES

- 5.1. The Contractor and POCL shall operate escalation procedures for issues affecting the EPOSS in accordance with the provisions of Schedule A04 of the Codified Agreement.

### 6. MONITORING

#### 6.1. Service Reporting

- 6.1.1. The Contractor shall provide POCL with monthly service management reports, which shall be produced within five(5) working days of the calendar month end, unless agreed otherwise. The service management reports shall allow POCL to monitor the Contractor's Service provision and achievement of the Service Levels.
- 6.1.2. Service management reports shall include but are not restricted to the following attributes:
  - (a) availability of service;
  - (b) service breaks/service failures;
  - (c) planned maintenance breaks;
  - (d) service delivery changes; and
  - (e) Incidents resolved and outstanding;





(f) and data to support Schedule F8.

6.1.3. The Contractor shall provide POCL with access to the raw data used to generate service management reports when requested to allow POCL to generate POCL internal reports.

## 6.2. Service Review Meetings

6.2.1. The POCL Business Manager and the Contractor's Operational Service Manager shall meet every three months (or as otherwise agreed by the POCL Business Manager and the Contractor's Operational Service Manager) to review Service Levels, Incidents and Problems reported in the previous period.

6.2.2. In addition POCL shall advise the Contractor of its requirements for implementation of the Service at new Outlets.

6.2.3. Other Contractor staff and POCL staff may attend these meetings at the request of either the Contractor or POCL to resolve particular matters on the agenda.

6.2.4. A typical agenda for such a meeting may include, without limitation:

- (a) Service management reports;
- (b) highlights of previous period's service statistics, concentrating on failures to meet required Service Levels, including major Incidents reported, Service trends and Service achievements;
- (c) explanation of unresolved Incidents and, in particular, any matters still outstanding;
- (d) review of the on-going actions, such as fault correction, agreed service changes and any POCL related work;
- (e) change management progress report;
- (f) suggestions for improvements to Service;
- (g) advance notification of major changes and new work, and review of the impact these may have on Service requirements;
- (h) any implementation requirements.



- 6.2.5. The Contractor shall prepare the necessary reports for discussion at these meetings.
- 6.2.6. POCL shall keep a record of these meetings and shall distribute the record to the Contractor and to the POCL Contract Manager for review at the Contract Steering Group Meeting (see Schedule A04).
- 6.2.7. The Service Review Meeting shall normally take place at least five (5) days after the delivery date of each third monthly service management report provided by the Contractor to POCL.



CODIFIED AGREEMENT

SCHEDULE F06

RESTRICTED CONTRACTS

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SCHEDULE F06- EPOSS SERVICE TRANSFER

This schedule is not used and is intentionally blank.





NOT USED



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SCHEDULE F08- EPOSS SERVICE LEVELS

## 1. PURPOSE

- 1.1. This Schedule specifies the Service Levels for EPOSS.
- 1.2. The Contractor shall provide EPOSS at all post offices for all the hours that they are open for business.[B03 5.1.1.5]

## 2. TRANSACTION TIME

- 2.1. The maximum Contracted Transaction Time (including both manual and EPOSS components) of an EPOSS only Transaction (i.e. excluding those Transactions which make use of EPOSS facilities but have their own timing requirements inclusive of the EPOSS component) shall be not more than the weighted average of:
  - one and nine-tenths of a second (1.9 sec.) more than the equivalent manual Transaction time for those Outlets which operated manually at 15 May 1996 and
  - nine-tenths of a second (0.9 sec.) more than the equivalent ECCO Transaction time for those Outlets which were automated and used the ECCO software at 15 May 1996.
- 2.2. At 15 May 1996, the weightings shall be by reference to PIVOT transaction volumes, as documented in the CCD entitled "PIVOT Transaction Volumes, by Outlet type and by type of EPOSS Transaction". In the event that the transaction volumes are no longer available from PIVOT, the weightings shall be by reference to equivalent data produced by the management information systems used by the Contractor at that time. While PIVOT transaction volumes are available, reports on PIVOT transaction volumes shall be prepared by POCL annually. Thereafter reports on data produced by the Contractor's management information systems shall be prepared by the Contractor annually. The report for the 52 (fifty two) or 53 (fifty three) weeks ending on or within 14 (fourteen) days of the previous end of year Invoice date shall be used to determine the relevant weighting
- 2.3. The method for determining equivalent Contracted Transaction Times will be as set out in the CCD entitled "Counter Transaction Performance Measurement and Benchmarking" .
- 2.4. Within EPOSS there shall be a number of different Transaction types (e.g. relating to different POCL Products), for which the Contracted Transaction Time may differ. The table below shall be used to record the



different Transaction times. The table shall be completed prior to the Operational Trial Acceptance Date and shall be updated as agreed between POCL and the Contractor from time to time.

Transaction types (EPOSS)	Maximum Contracted Transaction Times (seconds)
Transactions / Deposits (Business < £60)	42.02
Postage Stamps (non-Books)	23.08
BT Saving Stamps	11.48
1 <sup>st</sup> Class Stamps	12.14
Business Account Deposits (> £60)	87.32
DSS Greens	22.20
Vehicle Licence (V11)	88.67
TVL Saving Stamps	10.22
2 <sup>nd</sup> Class Stamps	9.61
BT Bills	41.64
Vehicle Licence (V10)	115.96
Stamp Books (non Vended)	9.91
Giro with Withdrawal / Outpayment	47.14
Transcash Gas (Girobank)	23.78
Postal Orders (all fee bands)	24.96
TV Licence (Colour)	19.75
DNS Ordinary Account Withdrawal	60.32
DNS Ordinary Account Deposit	48.54

2.5. The automated EPOSS components to be measured on an actuals basis shall be determined by reference to the CCD entitled "Counter Transaction Performance Measurement and Benchmarking". Target times shall be agreed between POCL and the Contractor prior to the Operational Trial Acceptance Date and shall be recorded in the EPOSS Benchmark Counter Transaction Times document against the EPOSS Transaction Types shown in the table above. Target times for future releases shall be agreed prior to release authorisation and the CCD entitled "EPOSS Benchmark Counter Transaction Times" will be updated.

2.6.1 The printer component actual time shall be measured in accordance with section 7/8 of the CCD entitled "Counter Transaction Performance Measurement and Benchmarking".

2.6.2 For the calculation of 'C(EPOSS)' as defined in paragraph 4.1.2 the actual printer time, will be deemed to be the same as the benchmark time recorded in the CCD entitled "EPOSS Benchmark Counter Transaction Times" except on the occasions that actual measurements are taken as per 2.6.1





## 3. SERVICE LEVELS

Service Requirement	Reporting Period	Service Level Threshold	
		Minimum Acceptable (MA)	Termination Review (TR)
1.EPOSS Transaction times	Monthly	All EPOSS Transactions operate within the maximum Contracted Transaction Times in the table under 2.4 above.	The overall average Transaction Time is more than one half of a second (0.5 secs.) greater than the maximum Contracted Transaction Times in the table under 2.4 above.

## 4. REMEDIES

## 4.1. Liquidated Damages

## Transaction times

4.1.1. The liquidated damages payable by the Contractor shall be based on a series of measurements over the Service Level Measurement Period, accumulated over a range of Services. This Schedule specifies the contribution made by the EPOSS, while the formulae for calculating the value of the liquidated damages and the effects of the accumulation of effects over the range of services is described in Schedule B10.

4.1.2. The following variables shall be recorded and used in calculating the remedies:

- T(EPOSS): the total number of EPOSS Transactions in the reporting period;
- C(EPOSS): the total accumulated difference between the actual measured variable system components and the agreed benchmarked variable system Components in the CCD entitled "EPOSS Benchmark Counter Transaction Times" against the EPOSS Transaction types shown in the table in paragraph 2. 4 plus the total accumulated difference between the agreed benchmarked total transaction times and the maximum total transaction times.

4.1.3. In calculating the value for C(EPOSS) above, EPOSS Transactions which take place in fallback mode (and



therefore cannot be accurately accounted for in service measurements) shall be considered to have taken a synthesised time. For EPOSS, in fallback a synthesised time, which shall not be less than the Contracted Transaction Time, shall be agreed between POCL and the Contractor, which shall be validated during the Operational Trial. Each time a Transaction is undertaken in fallback, the difference between the synthesised time for the fallback scenario and the Contracted Transaction Time (if the Transaction had not been undertaken in fallback) shall be added to C(EPOSS).

4.1.4. The Contractor shall be able to determine the number of normal transactions (ie not performed in fallback) for any time span, for each Outlet, over the prior month. At month end, for each reported incidence of fallback operation, the system shall estimate the number of EPOSS Transactions performed in fallback during the specific period by accumulating the total number of EPOSS transactions performed in that Outlet in equivalent time spans of the same day of the week during the preceding four weeks and dividing by four. If no matching period for any of the four weeks can be identified then the number of transactions in that particular period of the week may be assumed to be zero.

4.1.5. The following table identifies the synthesised times for the fallback scenarios. These times shall be validated as part of Operational Trial, and adjusted by agreement between the parties. The difference between the synthesised times and the appropriate Contracted Transaction Time shall be added to C(EPOSS). The Contractor shall report to POCL occurrences of each scenario. The synthesised times for the fallback scenarios are:

	Fallback Reason	Synthesised Time
1	Bar Code failure	-
2	Bar Code reader failure	-
3	Printer failure	-
4	PC failure	To be agreed

4.1.6. In the event that the actual level of Service falls below the Termination Review Threshold for any two (2) consecutive months then POCL may terminate the Codified Agreement in accordance with Clause 902.2 of the Codified Agreement. For the avoidance of doubt this right of termination is in addition to the general rights of termination specified in paragraphs 4.4 and 4.5 of Schedule A06.



CODIFIED AGREEMENT

SCHEDULE F09

RESTRICTED CONTRACTS

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SCHEDULE F09- POCL CONTINGENCY SERVICES

1. The EPOSS Contingency Services shall be as specified in the contingency plans to satisfy Requirement 830 in Schedule A15.





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## 1. OVERVIEW

- 1.1. The POCL Infrastructure Services consist of the Office Platform Service (OPS), the System Management Service (SMS) and the Transaction Management Service (TMS). [extrapolation]
- 1.2. The POCL Infrastructure Services provide the services to deliver the POCL Application Services and EPOSS. [extrapolation]
- 1.3. The Contractor shall provide POCL Infrastructure Services in accordance with the Service Levels set out in Schedule G10. [extrapolation]

## 2. OFFICE PLATFORM SERVICE

### 2.1. PURPOSE

- 2.1.1. This Section details the functions and capabilities provided by the Office Platform Service (OPS) that shall be supplied by the Contractor. The OPS is provided using the Equipment installed in Outlets which enable the POCL Applications and EPOSS to run successfully. [extrapolation]

### 2.2. OVERVIEW

- 2.2.1. The Contractor shall in each Outlet install the Equipment used to provide OPS, and provide OPS, subject to the limits specified in Annex 5 to Schedule A12. [R559]
- 2.2.2. The OPS shall be capable of supporting the entire range of business transacted at Outlets for current volumes of business and volumes of business as projected by POCL subject to the limits specified in Annex 5 to Schedule A12. [R558]
- 2.2.3. Two types of Counter Position configurations shall be provided:
  - a standard configuration which shall be suitable for the majority of Outlets;
  - a mobile configuration which shall be installed in Outlets to the maximum number described in Annex 5 to Schedule A12. [4.1.4.1]
- 2.2.4. The OPS shall support the POCL imperative of keeping Transaction times to a minimum. [R558]





**2.3. GENERAL SERVICE DESCRIPTION****2.3.1. Non Operational Requirements for Equipment**

2.3.1.1. The Contractor shall supply samples of all elements of the POCL Service Infrastructure used to provide OPS which are provided by the Contractor for purposes other than (i) Roll Out and (ii) live use in Outlets as part of the Operational Services. [R463]

2.3.1.2. The Equipment shall be reassigned to operational use by the Contractor when it is agreed by the parties that it is no longer required for the purposes of paragraph 2.3.1.1. [S463]

2.3.1.3. POCL shall notify the Contractor of the number of samples required which shall be used for such purposes as described in paragraphs 2.3.1.4 to 2.3.1.7.

**Testing by POCL;**

2.3.1.4. POCL shall notify the Contractor from time to time of how many samples are required for the purposes of testing such elements of the POCL Service Infrastructure at Operational Trial. They shall not in total exceed the equivalent of eight (8) Outlets with a total of fifty (50) Counter Positions. Any requirements thereafter for samples of Equipment for testing purposes (beyond the initial fifty (50) Counter Positions) shall be agreed by POCL and the Contractor. [R463]

**Destructive testing;**

2.3.1.5. Unless testing demonstrates a breach of the relevant standards in Schedule A02, the number of specimens for destructive testing purposes shall not exceed one example of each type of POCL Service Infrastructure used to provide OPS. [R463]

**Training;**

2.3.1.6. The Contractor shall provide OPS and associated Equipment for a combination of both classroom training and on-site training, where such training is provided by the Contractor. [S463]

**Demonstrations and marketing.**

2.3.1.7. The Contractor shall provide OPS Equipment which shall be required to demonstrate and market Office Platform Services to Clients and prospective Clients. The Equipment that is required shall be set out in marketing plans which are agreed jointly between the POCL and the Contractor. [S463]



**2.3.2. Appearance of the Equipment within OPS**

- 2.3.2.1. The livery of the elements of the POCL Service Infrastructure to be used for OPS shall conform to the "Counter Hardware Design Specification", referenced in Schedule B2 (Hardware). [R465]
- 2.3.2.2. The effort required to maintain the appearance of the Equipment shall be minimal and capable of being undertaken by the local Outlet Users. It shall be comparable to the cleaning required of any desk-based office computer system. [R465 / S465]

**2.3.3. OPS Equipment - engineering visits**

- 2.3.3.1. Maintenance and repair of the elements of the POCL Service Infrastructure used to provide OPS involving on-site attendance at POCL Premises by the Contractor's engineers shall not interfere unduly with the ability of an Outlet to serve Customers, even where Outlets have a single Counter Position and/or extremely limited physical space. [R468]
- 2.3.3.2. If a maintenance or repair operation is predicted to take longer than twenty (20) minutes then the Contractor shall replace the whole unit or module to minimise disruption at the counter. [S468]
- 2.3.3.3. The Contractor shall carry out maintenance or repair visits in line with the Service Levels described in Schedule G10 (Service Levels and Remedies). Optionally, an Outlet Manager shall elect to defer a visit to a time which he believes is more convenient. For example, in a larger Outlet, if a fault occurs at the busiest time of day then POCL may specify the start time from which the Contractor may carry out the maintenance or repair. In these circumstances, the request for service shall be diagnosed fully but not carried out until the preferred appointment time. In this case the time in suspension shall not count towards down-time as defined in Schedule G10 (Service Levels and Remedies). [S468]

**2.3.4. Health, Safety and Legal obligations**

- 2.3.4.1. All Equipment used to provide OPS shall comply with the Health, Safety and Legal requirements laid down in Schedule A02. [R474]

**2.3.5. Equipment Environmental Considerations**

- 2.3.5.1. All Equipment used to provide OPS shall comply with the Equipment environmental considerations laid down in Schedule A02. [R540]



**2.3.6. Continued Support of Operating Systems, Middleware and Applications Software**

2.3.6.1. The Contractor shall fully support the Software in the POCL Service Infrastructure during the life of the elements of the POCL Service Infrastructure on which such Software is utilised in providing the POCL Services. [R542]

**2.3.7. Capabilities on Initial Implementation**

2.3.7.1. The Contractor shall provide the POCL Service Infrastructure appropriate for each Outlet. [extrapolation]

2.3.7.2. The Contractor shall install and support the POCL Service Infrastructure provided as mobile counter configurations, in accordance with the limits set in Annex 5 of Schedule A12 of the Codified Agreement, where requested by POCL. The exact numbers and circumstances of each mobile configuration shall be agreed with POCL prior to Roll Out. [4.1.4.1.7]

2.3.7.3. In each Outlet, at each Counter Position PC, from Roll Out at such Outlet, OPS shall: [R555]

a) support the reading of track 2 from magnetic stripe cards complying with ISO 7811 parts 1-4;

b) support the reading from and writing to Smart Tokens complying with:

- ISO 7816 parts 1 and 2;
- and/or ISO 7816 parts 1, 2 and 3;

and be capable of supporting future applications complying with:

- ISO 7816 part 4;
- support GFM-2K and GFM-4K.

c) where possible, support magnetic stripe cards and Smart Tokens that do not match the above standards in all respects (e.g. where embossing is not in the correct position, or the magnetic stripe information does not adhere fully to the standards set out in paragraph (a)). Support for such non-standard cards will be assessed on an individual basis in accordance with the Solution to Requirement 555 in Schedule A16;





d) support the reading of one dimensional bar-codes. The maximum bar-code width to be read shall be 10.9 cm at a resolution of 9 mils. OPS shall support, at minimum code 128, EAN 8, EAN 13, code 39.

e) support a colour touch screen and keyboard.

2.3.7.4. In each Outlet from Roll Out at such Outlet OPS shall enable POCL Applications and EPOSS to: [R555]

a) support printing on manually fed pre-printed forms at the Counter Position;

b) support printing on cheques and other forms at the Counter Position;

c) support printing of existing Client reports at the counter. This shall include Counter printing, as specified in "Horizon OPS Reports and Receipts", in large fonts and printing with 90 degree rotation;

d) support the connection of electronic weighing scales (which shall not be supplied under the Codified Agreement) to the POCL Service Infrastructure. As a minimum, connections shall include Avery Berkel type D104 and A702 via RS-232 connections. It shall be possible to share a set of weighing scales between two or more Counter Positions at which the POCL Service Infrastructure has been installed;

e) support the printing of reports necessary to meet existing Client commitments;

f) support the printing of cash accounts and plain paper summaries;

g) support the printing of PDF417 two dimensional bar-codes on forms generated through back office processing. Typically the two dimensional bar-code shall be used to contain cash account information;

h) support the printing of one dimensional bar-codes at the Counter Position on forms as well as tally roll print. As a minimum, code 128, EAN 8, EAN 13 and code 39 shall be printable;

i) support the printing of one dimensional bar-codes at the back office, if a back office printer is provided. As a minimum, code 128, EAN 8, EAN 13 and code 39 shall be printable. [R555]



**2.3.8. Technology Refresh**

2.3.8.1. POCL wishes to take advantage of changes in technology during the term of the Codified Agreement. [R560]

2.3.8.2. The specification of the Equipment used within the POCL Service Infrastructure shall be specified in the "Counter Hardware Design Specification" and shall be reviewed by POCL and the Contractor at times reasonably agreed by them, to ensure that the most appropriate technology is deployed. [R560]

2.3.8.3. No change shall be made to the specification of Equipment to be used within the POCL Service Infrastructure without prior approval by POCL.

**2.3.9. Ability to Provide Authorisation to POCL Products**

2.3.9.1. It is likely that, in due course, re-engineered POCL Products shall require specific authorisation, either through access to a computer system external to the POCL Services or within the POCL Services. [R827]

2.3.9.2. The POCL Services and the POCL Service Infrastructure shall be able to be developed to support the maintenance and use of:

a) stop lists;

b) go lists;

c) other authorisation types;

in relation to such reengineered POCL Products.  
[R827]

2.3.9.3. The POCL Services and the POCL Service Infrastructure shall support such authorisations through access to external computer systems. [R827]

**2.3.10. Use of OPS for Agent business**

2.3.10.1. Where an Agent may in future use the OPS for his own business, all POCL Services using the OPS shall identify such Transactions separately from those relating to POCL Services under the Codified Agreement, in particular for financial accounting. [R836]



## 2.4. AVAILABILITY

### 2.4.1. User access to OPS

- 2.4.1.1. Any remote User access to OPS shall be restricted to Users specifically authorised by POCL and shall only take place via TMS. [R473]
- 2.4.1.2. Access to OPS and POCL Services offered via OPS to Users working in the Outlets shall be controlled by a mechanism, conforming to the "Horizon OPS Style Guide", referenced in Schedule B03, offering multiple access levels and providing specific identification of each User. [R473]
- 2.4.1.3. Only Users authorised by POCL shall be able to log-on to the OPS at an Outlet in accordance with their defined role. [S473]
- 2.4.1.4. Authentication of all Users logging on to the OPS in the Outlet shall be undertaken by the elements of the POCL Service Infrastructure on which OPS is based. Full access control and password management facilities shall be provided. Users shall only access those Applications for which they have been given permission by the Outlet Manager. Each User shall be identified by a unique User-id and individual password. [S473]
- 2.4.1.5. It shall be possible to restrict the functionality available at an Outlet, to permit (inter alia) some POCL Services not to be offered at all Outlets. It shall also be possible to restrict certain Transaction types in an Outlet. [R473 / S473]
- 2.4.1.6. The OPS shall provide facilities to enable the Outlet Manager to establish new Users and set an initial password for all Users in an Outlet. Should a User forget their password the Outlet Manager shall be able to reset the password. The same procedure shall apply at single Counter Position Outlets and multiple Counter Position Outlets. [S473]
- 2.4.1.7. For situations where the sole User (e.g. Outlet Manager in a single Counter Position Outlet) has forgotten their password, the OPS shall provide the facility to generate a unique key as part of the log on to a specific username. This shall be phoned to the Horizon System Helpdesk who shall provide the corresponding key which when input to OPS shall allow access to the administration facilities. The User shall then be able to reset their User password. [S473]





**2.4.2. Concurrency**

2.4.2.1. OPS shall support concurrent access to POCL Services provided via it. [R953]

2.4.2.2. Performance, and corresponding Service Levels, of OPS shall not be significantly degraded by other Outlet activity, e.g. front office, back office and communications activities shall not unduly impact each other. [R953]

**2.5. PERIPHERALS****2.5.1. POCL Infrastructure - OPS: Peripheral and input devices Equipment General Requirements**

2.5.1.1. Peripheral and input devices supplied as part of the elements of the POCL Service Infrastructure on which OPS is provided shall be reliable, robust and easy to use. [R536]

2.5.1.2. Peripheral and input devices supplied as part of the elements of the POCL Service Infrastructure on which OPS is provided shall be capable of detecting contention, premature removal/swapping of Smart Tokens. [R536]

**2.5.2. Schlumberger Smart Keys**

2.5.2.1. The OPS shall support the reading from and the writing to Schlumberger Smart Keys. [S556]

2.5.2.2. In any Outlet requiring the reading and writing from Schlumberger Smart Keys it shall be acceptable to use an external peripheral device, and to share this device between Counter Positions where practical. [R556]

**2.5.3. Peripherals Flexibility**

2.5.3.1. OPS and the elements of the POCL Service Infrastructure on which OPS is provided shall have the flexibility for additional peripheral equipment to be added in the future, including input devices and printers. [R557]

2.5.3.2. The Counter Position PC shall have the capability of having at least four (4) additional RS-232 connected peripherals added to a Counter Position configuration as initially installed. [S557]

2.5.3.3. POCL may, as an Additional POCL Service, require OPS and the elements of the POCL Service Infrastructure on which OPS is provided to be linked to teller cash dispensers. Such Additional POCL Service shall be subject to agreement with the Contractor. [R557]



**2.5.4. Future Flexibility for Sharing of Specialist Peripherals**

2.5.4.1. OPS, and the elements of the POCL Service Infrastructure on which OPS is provided, shall be able to be connected via RS 232 ports, and shall support such connection, to specialist peripherals in such a way that the specialist peripherals may be accessed by one or more PCs. In such a case it shall be possible to restrict access to a subset of the PCs in each Outlet. [R826 / S826]

**2.6. SECURITY****2.6.1. Security of data and audit trail for OPS**

2.6.1.1. Full logs of Transactions and significant Events within OPS shall be maintained and an audit trail of interactions with, and actions within, OPS shall be maintained. The audit trail shall be made available automatically for analysis by both audit access facilities and value added services which are linked to TMS. [R472]

2.6.1.2. All data captured at an Outlet either as part of a Counter Position Transaction or as an administration function shall form part of a unique Transaction which shall be given a unique reference number by Riposte and details stored in the journal. The format of this journal entry shall vary according to the Transaction type but will typically contain: [S472]

- Post Office ID;
- Counter Position ID;
- Unique Transaction ID;
- Date;
- Time;
- User ID;
- Application;
- Transaction Details. [S472]

2.6.1.3. Each Counter Position PC shall contain a journal and all journal entries shall be automatically replicated to all other members of the work group. This shall include all the PCs in the Outlet and one of the correspondence servers, at which TMS is provided. This correspondence server shall in turn replicate all its Transactions to



two other correspondence servers located at different sites. [S472]

2.6.1.4. Once data are stored in the journal they shall never be altered. New Transactions shall always be appended to the journal. Retrieval of data using a particular key field shall retrieve all entries containing that field. [S472]

2.6.1.5. The security of data held within OPS shall not be compromised by any Incident nor when OPS is re-established following any Incident. [R472]

2.6.1.6. The Contractor shall provide synchronisation facilities which shall automatically check the status of the journal for a node when it is re-established following failure. Should the journal be out of step (e.g. through failure of the Counter Position PC) the Contractor shall automatically synchronise the journal and any data files to the same state as all other journals in that work group. Synchronisation may occur from another Counter Position PC (in a multi-Counter Position Outlet) or from one of the correspondence servers (in a single Counter Position Outlet). [S472]

2.6.1.7. The operating system supporting the OPS shall provide assurance of access control and data integrity functions. [4.1.4.1.1.3]

#### **2.6.2. OPS Secure Suspension**

2.6.2.1. The OPS and the elements of the POCL Service Infrastructure on which OPS is provided shall provide secure time-out facilities for each Counter Position PC and back office PC. [R921]

2.6.2.2. The Contractor shall provide a User activated suspension which shall enable the User to clear the screen and leave the PC for a short period. The User session shall be reactivated by the User entering their password. Any Applications which were active shall be left active. The display presented when the suspension facility is activated shall be different to any normal desktop or Application screen. [S921]

2.6.2.3. Should the User who initiated the suspension be unable to re-activate the facility, the following actions may be taken: [S921]

- After a period of time, during which there is no active session, the session shall be automatically logged-out. A journal message will be created indicating this;





- The Outlet Manager may assume responsibility for any uncompleted session, the Stock Unit or share thereof, by entering his own User name / password;
- Once the PC has logged-out any authorised User may then use that PC;
- All the above Events shall be written to the journal. [S921]

2.6.2.4. The facility shall allow the User to resume work with the minimum delay consistent with achieving security in accordance with the provisions hereof. [R921]

### **2.6.3. Inactivity Time-out**

2.6.3.1. The OPS and the elements of the POCL Service Infrastructure on which OPS is provided shall provide secure inactivity time-out facilities if the PC is inactive for a short period for each Counter Position PC and back office PC.

2.6.3.2. Should the User be unable to re-activate the facility, the following actions may be taken: [S921]

- After a period of time during which there is no active session the session shall be automatically logged-out. A journal message shall be created indicating this;
- The Outlet Manager may assume responsibility for any uncompleted session, the Stock Unit or share thereof, by entering his own User name / password;
- Once the PC has logged-out any authorised User may then use that PC.

All the above Events shall be written to the journal.

2.6.3.3. The facility shall allow the User to resume work with the minimum delay consistent with achieving security in accordance with the provisions hereof. [extrapolation]

### **2.6.4. Encryption Key Management**

2.6.4.1. The OPS shall support a reliable and secure means for the storage and transfer of data. This shall include the use of techniques used selectively and in agreement between POCL and the Contractor as specified in the "Security Functional Specification", referenced in Schedule B03. [S952]



2.6.4.2. A key management system shall be in place so the encrypted data can be deciphered without risk of that cryptographic key being exposed. [R952]

## 2.7. DOCUMENTATION

### 2.7.1. OPS - technical documentation

2.7.1.1. The Contractor shall provide technical documentation concerning OPS and the elements of the POCL Service Infrastructure used to provide OPS as specified in Schedule B3. This documentation shall be suitable to allow POCL to procure Applications which utilise OPS or that part of the POCL Service Infrastructure which is used to provide OPS. These procurements shall not necessarily be from the Contractor. [R469]

### 2.7.2. POCL Infrastructure - OPS: Style Guide

2.7.2.1. The Contractor shall draw up the Horizon OPS Style Guide and agree this with POCL. Any POCL Service to be offered via the OPS shall be provided in accordance with the Horizon OPS Style Guide. [R475]

2.7.2.2. The Horizon OPS Style Guide shall set out, inter alia, general guidelines for the Human Computer Interface: [S475]

- An efficient and intuitive method of Transaction selection exploiting touch-screen and function-key driven techniques;
- A menu hierarchy based on "most used" Transactions;
- Transaction selection which can be invoked by peripheral Events;
- A seamless link between Transaction selection and Application;
- A common and consistent User Interface for Transaction selection and Applications;
- Screen layouts;
- POCL Service Infrastructure navigation routes;
- Help facilities. [S475]

2.7.2.3. The Human Computer Interface shall be intuitive and easy to use, to minimise errors and delays. The Human Computer Interface shall provide a consistent look and feel across all Applications and be easy to adapt to facilitate the introduction of new Applications. [R475]



### 3. TRANSACTION MANAGEMENT SERVICE

#### 3.1. Purpose

3.1.1. This Section details the functions and capabilities provided by the Transaction Management Service (TMS) that shall be supplied by the Contractor. [extrapolation]

3.1.2. The Contractor shall provide TMS in accordance with the applicable Service Levels set out in Schedule G10. [extrapolation]

#### 3.2. Overview

3.2.1. The TMS shall provide the interworking between the Outlets and the Contractor's central processing sites. TMS shall be provided using both the Outlet and the correspondence server Equipment, presenting interfaces to POCL Client systems or POCL systems. Such interfaces shall be implemented using TMS Agents, which are specified in paragraph 3.4.1. [4.1.4.2.1]

3.2.2. The role of TMS shall be to provide a secure and resilient messaging and journalling service which shall support the transfer of data between OPS and POCL Client services, and the POCL Services. [4.1.4.2.1]

#### 3.3. General Attributes

##### 3.3.1. Scalability

3.3.1.1. The Contractor shall provide TMS such that it shall be scaleable to meet POCL's future business needs. [R541 / S541]

3.3.1.2. This capability shall include the ability to support any Client Transactions re-engineered by POCL, new capabilities developed by POCL and considerable volumes of Transactions needing authorisation from a Client system or a central point in POCL. [R541]

3.3.1.3. There shall be no constraints on the scaling of TMS or of the underlying POCL Service Infrastructure to meet the workload volumes projected for POCL. The modular nature of TMS and the POCL Service Infrastructure shall enable any workload growth to be accommodated, subject to the relevant provisions in Schedule G05. [S541]

3.3.1.4. The Contractor shall monitor traffic patterns and actual system resource usage. The optimum deployment of





the elements of the POCL Service Infrastructure shall be used to provide TMS. [S541]

3.3.1.5. The Contractor shall support POCL's strategy to introduce new classes of business Transactions and shall enable access to central host systems for authorisation or data access/update. The Contractor shall implement such links using TMS to provide the specific Client data exchanges. [S541]

### **3.3.2. Discreteness of TMS**

3.3.2.1. TMS shall be logically discrete from other POCL Services such that other POCL Services can be separately procured that make use of TMS and such that in extremis a replacement service for TMS could be separately procured. [R480]

3.3.2.2. Not used

3.3.2.3. By the end of the Operational Trial Period, the Contractor shall specify the boundary performance characteristics of TMS (which shall for these purposes include APS, EPOSS, OPS, SMS, OBCS and LFS).

3.3.2.4. For the avoidance of doubt, POCL shall be entitled to test the ability of the Contractor to provide such boundary performance information as part of acceptance testing. The Contractor shall enable POCL to perform such testing by a date agreed between the parties, but in no event later than 9 months after commencement of Roll Out. [R869]

### **3.3.3. Data Integrity**

3.3.3.1. An Application or TMS Agent shall be able to be certain, at some level, that data have been positively acknowledged as received by TMS, or a peer Application connected to TMS. [4.1.4.2.3.4.4]

3.3.3.2. Data transfers shall be capable of being despatched as: [4.1.4.2.3.4.4]

- immediate;
- background / trickle fed;
- time deferred. [4.1.4.2.3.4.4]

### **3.3.4. Exclusivity**

3.3.4.1. No computer system shall be connected to the elements of the POCL Service Infrastructure on which TMS is provided without the approval of POCL. [R479]



- 3.3.4.2. The Contractor shall maintain a register of computer systems with which such connections are allowed. [R479]
- 3.3.4.3. TMS shall provide links into other computer systems as required to support the introduction of new or re-engineered Transactions required by POCL. [4.1.4.2.2.3]
- 3.3.4.4. TMS shall authenticate the identity of any computer system with which a link is to be established. [R479]
- 3.3.4.5. TMS shall produce reports detailing any attempt to establish a link which is rejected. The Contractor shall provide these reports to POCL on request. [R479]

### 3.4. General Service description

#### 3.4.1. Interface support

- 3.4.1.1. TMS shall interface with each instance of OPS within each Outlet. [extrapolation]

- 3.4.1.2. The Contractor shall support the interfaces between (i) POCL systems and (ii) the POCL Services, as such interfaces are defined in the POCL Interfaces documentation maintained by POCL. These shall include:

- Transaction Information Processing (TIP) system interfaces to/from TMS and Outlets;
- Interfaces between Outlets, TMS and Clients;
- TIP / TMS interface for authorisation data;

[R831 / old 6.4.1.3]

- Interface between the POCL Reference Data System and the POCL Service Infrastructure and POCL Services; [extrapolated]
- Interface between POCL SAPADS and TMS.

- 3.4.1.3. The development and implementation of the interfaces specified in paragraph 3.4.1.2 shall principally take the form of TMS Agents which act upon Transactions originated within the Outlets or which receive Transactions or data from POCL or Client systems. [derived from S831]

- 3.4.1.4. TMS Agents described in paragraph 3.4.1.3 shall comprise:

(a) For EPOSS:

- TIP TMS Agent;



(b) For APS:

- Farnborough Data Polling Centre TMS Agent;
- TMS Agent(s) to/from POCL APS Clients (to be agreed);

(c) For OBCS:

- TMS Agent to transfer data between OBCS host and counter application;

(d) For POCL Service Infrastructure and POCL Services:

- Reference Data System TMS Agent;

(e) Further TMS Agents to support Additional POCL Services or additional Client services may be agreed from time to time between POCL and the Contractor; [new text derived from S831]

(f) For LFS:

- TMS agent to transfer data between LFS host and the counter application.

3.4.1.5. Transactions and data shall be transmitted via TMS Agents from the following sources:

a) *Transactions from Outlets*

Transactions from Outlets shall be generated as a part of the relevant POCL Application Service or EPOSS. [new text derived from S831]

b) *Transaction Information System (TIP) system interfaces to/from TMS and Outlets.*

Interfaces shall be provided to support the transmission from Outlets of:

- TMS Transactions (POCL Client summary returns);
- Automated Product data (Authorisations within Outlet within POCL client);
- Outlet Transactions.;

and the receipt at Outlets of:

- error notices;
- texts and/or files for distribution to Outlets (instructions, procedures etc.).





The Contractor shall support this requirement by a TIP specific TMS Agent. This shall undertake the periodic processing of the TMS journals on the Correspondence Servers to provide the outputs to TIP. Data shall be passed daily at a time or times to be agreed.

For the avoidance of doubt, the parties acknowledge that an electronic cash account shall not be transmitted to TIP. [new text extrapolated from S831]

c) *Reference Data system interface to TMS and Outlets.*

Interfaces shall be provided to support the transmission to Outlets of:

- Reference Data about Outlets;
- Reference Data for TMS, APS, EPOSS and OBSC (not including OBSC Stop Lists data).

The Reference Data TMS Agent shall normally receive a daily file of data from the Reference Data system at a time to be agreed. Exceptionally, it shall receive messages from the Reference Data system, the messages being emergency-type Reference Data updates, at a time or times to be agreed.

d) *Interfaces between Outlets (via TMS) and POCL Clients*

Interfaces shall be provided to support the transmission from Outlets of:

- Transaction data;
- Authorisations Requests;
- Authorisation Confirmations / Exceptions;

and the receipt at Outlets of:

- Authorisations;
- Client-specific Reference Data.

The Contractor shall support this by POCL Client-specific TMS Agents. These shall undertake the periodic processing of the TMS journals on the Correspondence Servers to provide the outputs to POCL Clients. For each POCL Client a single file of Transaction Data shall be passed during an agreed daily time window. The POCL Client TMS Agents shall send authorisation requests and confirmations / exceptions in a manner to be agreed by the parties.



The POCL Client TMS Agents shall also receive from each POCL Client messages containing either authorisations or Client specific Reference Data in a manner to be agreed by the parties. [new text derived from S831]

3.4.1.6. The Contractor shall provide the capability for reconciliation between POCL and its Clients by ensuring TIP receives a copy via TMS of relevant authorisation data as specified on an individual Client basis by POCL. [R831 / old 6.4.1.4]

3.4.1.7. The capability for POCL to effect reconciliation between itself and its Clients shall be provided by the TMS outputs to TIP for Automated Product Data and Outlet Transactions, with reconciliation totals. [new text derived from S831]

3.4.1.8. The POCL Interface between TIP and the POCL Infrastructure Service shall be defined in two documents:

- (a) "*TIP Application Interface Specification*" and
- (b) "*TIP Technical Interface Specification*".

These and other POCL Interfaces documents shall be produced by POCL by a date consistent with the Project Plan. This documentation shall cover:

- data content in logical groupings;
- physical layouts;
- controls (including security);
- timings;
- volumes;
- technical interface specifications (initially options and constraints);
- configuration management;
- contingency arrangements. [R831 / old 6.4.1.5]

3.4.1.9. Versions of existing POCL Interface documentation describing the existing interfaces shall be made available to the Contractor. [R831 / 6.4.1.6]

3.4.1.10. The POCL Interfaces documentation shall not initially cover further potential interfaces in respect of:

- EFTPOS;



- reconciliation and exception reporting;
- operational management information;
- performance monitoring;
- inspection of Transaction and Event logs for audit and security purposes;
- transitional arrangements in relation to 'cash account processing'.

[R831 / R891 / old 6.4.1.7]

The specifications for interfaces that are not part of the Core System Services, subject to Clause 201.6, are to be agreed between POCL and the Contractor under change control.

3.4.1.11. The detailed format of all interfaces shall be agreed by POCL. [R831 / old 6.4.1.8]

3.4.1.12. *Interface with Inventory Management*

The POCL Infrastructure Service shall be designed such that it can interface into any POCL inventory management systems, and shall have sufficient capacity not to preclude such interfacing. [R822]

**3.4.2. Data delivery**

3.4.2.1. TMS shall provide for the distribution and collection of both file and record level data to and from the OPS. [4.1.4.2.3.5.1]

3.4.2.2. Large data transfers shall be capable of being delivered in the same order as sent. [4.1.4.2.3.5.1]

**3.4.3. File Operations**

3.4.3.1. TMS shall support the transfer of files between two or more computer systems at which TMS is attached to the POCL Service Infrastructure. [4.1.4.2.3.5.2]

3.4.3.2. TMS shall provide a file distribution function which shall be responsible for transfer, monitoring and retry of files. [4.1.4.2.3.5.2]

3.4.3.3. TMS shall support the following functions, without limitation:

- Triggering of transfers;
- Reporting of transfer failures and retry of these transfers;





- Identifying the population of systems connected to TMS. [4.1.4.2.3.5.2]

### **3.4.4. File Processing**

3.4.4.1. Data file processing shall be provided by the TMS Agents, optionally supported by Host systems. TMS Agents shall be customised for each specific host system link and shall provide the required conventional file processing facilities, including without limitation: [4.1.4.2.3.5.3]

- Validation of data files;
- Concatenation and merging of files;
- Generation of many data files from one data file;
- Reformatting of the contents of a data file;
- Generation of control totals;
- Reconciliation of control totals;
- Production of reports, financial and other summaries. [4.1.4.2.3.5.3]

### **3.4.5. Data Transfer Initiation**

3.4.5.1. Data transfers shall be initiated by: [4.1.4.2.3.5.4]

- Operator action  
TMS shall automatically collect and deliver datafiles which are passed to it.
- Time  
TMS Agents shall have access to interfaces that support real and delayed time initiation of activities.
- External message  
Computer systems at which TMS is provided shall be able to initiate a data file collection or delivery. [4.1.4.2.3.5.4]

### **3.4.6. End to End Recovery**

3.4.6.1. End-to-end recovery facilities shall be performed by the Contractor in accordance with the "Service Architecture Design Document". [4.1.4.2.3.5.5]

### **3.4.7. Audit**

3.4.7.1. The Contractor shall maintain a full audit trail of all TMS activity. [4.1.4.2.3.6]



### 3.5. Documentation

#### 3.5.1. *Technical documentation*

3.5.1.1. The Contractor shall provide technical documentation, as specified in Schedule B03, concerning TMS and the elements of the POCL Service Infrastructure used to provide TMS. This documentation shall be suitable to allow POCL to procure POCL Application Services which utilises TMS. These procurements shall not necessarily be from the Contractor. [R470]

3.5.1.2. All changes to such documentation shall be subject to the written agreement of POCL. [R470]

3.5.1.3. The documentation shall include: [S470]

- The TMS Architecture Document.

A document which includes a description of the overall systems architecture of TMS and the functionality of its various software sub-systems . This shall include a description of the TMS Agents which shall describe how Client systems utilise the TMS. [S470]

- The TMS API Document

A document which shall describe the full set of APIs provided by TMS. Some of these are used by the Client Agents in support of Client systems.

- The TMS Hardware Specification.

A document which provides a technical specification of the equipment provided in data centres in support of TMS.



#### 4. GENERAL POCL INFRASTRUCTURE REQUIREMENTS

##### 4.1. INTRODUCTION

4.1.1. This section contains characteristics common to more than one element of the POCL Infrastructure Services. [extrapolation]

##### 4.2. LINKS FROM OPS TO TMS

###### 4.2.1. General

4.2.1.1. Each instance of OPS within Outlets shall interface with TMS to allow the transfer, in both directions, of authorised data files and messages. [R467]

4.2.1.2. The transfer of data between OPS and TMS shall be secure, complete, accurate and robust. [R467]

4.2.1.3. Within OPS it shall be possible for OPS to identify whether data from OPS have been received by TMS or not. [R467]

###### 4.2.2. Data Replication

4.2.2.1. The Contractor shall use data replication and synchronisation techniques to ensure that data transfer between Counter Positions at which OPS is provided and between instances of OPS at each Counter Position and the TMS are secure, complete, accurate and robust. [S467]

4.2.2.2. Once a Transaction has been settled at a Counter Position, TMS shall commit the full Transaction details to that Counter Position PC's message store. The Transaction details shall simultaneously be automatically replicated to all other PCs in the Outlet so that the data are securely captured. In addition, the Contractor shall automatically replicate Transaction details to a remote server at which TMS is provided. [S467]

4.2.2.3. The OPS PCs and TMS servers are known as "nodes". [S467]

4.2.2.4. All data and message transfers from a single node shall be generated in a strict numbered sequence with a unique node identification. Any attempt to introduce a fraudulent message shall be automatically detected and rejected by OPS. [S467]

4.2.2.5. An additional pseudo random sequence number produced from a cryptographic algorithm can also be included to





provide a very high level of message integrity as agreed between the parties from time to time, such agreement not to be unreasonably withheld. Details of the use of the cryptographic algorithm are contained in the "Security Functional Specification". [S467]

4.2.2.6. Data and message transfers shall be resilient to either network or node failure. When the failure condition is resolved the nodes shall automatically synchronise and complete any data or message transfers that are required to ensure these nodes are in a consistent state. [S467]

#### 4.2.3. Data Integrity

4.2.3.1. The Contractor shall use techniques to ensure data integrity within the OPS and as part of data/message transfer between OPS and TMS, including:

- Cyclic redundancy checks shall be calculated for all journal records, including Reference Data;
- Digital signatures shall be used for all data where assurance of content and source are required;
- Data encryption used selectively on certain data fields. [4.1.4.2.3.4.2 / S467]

4.2.3.2. All messages and data shall have a cyclic redundancy check applied when they are initially committed to the journal and this shall be checked every time the message or data is accessed. This shall protect against accidental corruption and casual tampering. Any failure of a cyclic redundancy check shall cause the message to be rejected and retrieved from alternate nodes. [S467]

4.2.3.3. In the event that nodes fail, recovery shall take place in accordance with the CCD entitled "Post Office Site Failure Contingency Procedures" and sections 4.1.5.2 and 4.1.6 of the SADD.

4.2.3.4. Where POCL requires the origin of data to be authenticated, the Contractor shall apply a digital signature to the data prior to transmission and shall then check it upon receipt. Digital signature techniques and the data to which they are applied shall be described in the "Security Functional Specification" referenced in Schedule B03. [S467]

4.2.3.5. The Contractor shall automatically detect any attempt to alter data and shall log such attempts for subsequent investigation by the Contractor. Details of all such attempts shall be passed to POCL. [S467]



**4.2.4. Recovery**

4.2.4.1. The Contractor shall perform general recovery processes as specified in "The Post Office Site Failure Contingency Procedures". The Contractor shall perform TMS recovery processes as specified in the "System Architecture Definition Document" referenced in Schedule B03. [4.1.4.1.1.2]

4.2.4.2. The PC in all single Counter Position Outlets shall be fitted with a single exchangeable hard disk to facilitate rapid exchange of systems and Transaction data in the event of a system failure other than a hard disk failure. [4.1.4.1.1.2]

**4.2.5. Messaging**

4.2.5.1. Using TMS and OPS the Contractor shall provide a broadcast facility which shall enable messages of around 2,000 bytes to be sent to all or a subset of Outlets from a central location. The message shall be input into an application running on the central servers used to provide TMS and shall be replicated to Outlets as required. [R471]

4.2.5.2. TMS and OPS shall have the capability to be developed to allow, subject to change control, Users working in the Outlets to gain access to information held electronically on the POCL Service Infrastructure such as is from time to time published in 'Counter News' and POCL operations manuals. [R471]

**4.3. Agreement to offer POCL services using the POCL Infrastructure**

4.3.1. Third party services which utilise the POCL Infrastructure Services shall only be provided subject to the agreement of POCL. [R464]



## 5. SYSTEM MANAGEMENT SERVICE

### 5.1. Purpose

5.1.1. This Section details the Systems Management Service which the Contractor shall provide. [extrapolation]

5.1.2. The Contractor shall provide the System Management Service in accordance with the applicable Service Levels set out in Schedule G10. [extrapolation]

### 5.2. Overview

5.2.1. A Systems Management function shall be deployed based on a central service delivery capability, able to interact with each of the Outlets. [4.2.2.1]

5.2.2. The Contractor shall carry out system management of all POCL Services in a consistent and coherent manner. The activities within each POCL Service shall be co-ordinated such that, for example, changes and faults can be tracked across POCL Service boundaries. [R537]

5.2.3. Changes to the POCL Services shall be made speedily and accurately. [R537]

5.2.4. System Management facilities shall include, without limitation: [S537]

- Software repository - the storage and maintenance of records identifying what software versions are stored on what machines;
- Software distribution - the scheduling of software upgrades to a defined set of machines;
- Event management - the notification of significant Events to a central source ;
- Asset management - the storage and maintenance of information on the existence and type of machines and associated peripherals;
- Configuration Management - the non-static configuration parameters that drive the Applications and operating system. [S537]





### 5.3. General Service description

#### 5.3.1. Synchronisation Of Time

5.3.1.1. All system data, including date and time, shall be consistent. The Systems Management Service shall interrogate all servers to check for a consistent date/time. This shall cater for the handling of clock changes at the beginning and end of British Summer Time for example. [S538]

5.3.1.2. The Contractor shall provide a facility to allow Transactions to be processed using local time and / or GMT, thus all the relevant areas of the POCL Service Infrastructure shall be able to derive both local time and GMT. [R538]

#### 5.3.2. Reference Data handling

5.3.2.1. The Contractor shall maintain and process Reference Data necessary to the operation of the POCL Service Infrastructure and the POCL Services. [R539]

5.3.2.2. The Contractor shall receive, store and utilise Reference Data from sources outside of the Contractor domain, as defined in the "Reference Data Application Interface Specification" and "TIP Technical Interface Specification". [R539]

5.3.2.3. The Contractor shall support and maintain both system and application related Reference Data for an Outlet. System related Reference Data comprises information that relates to the state of the Outlet and its associated software base (e.g. Event management details, software version numbers). Application related Reference Data comprises information that relates to particular Transactions. (e.g. price of a stamp, check digit algorithm for an AP Client). [S539]

5.3.2.4. The Contractor shall provide functions required to store and maintain Reference Data and to manage its distribution and activation. The Contractor shall provide a single asset and configuration database which shall provide a central logical view of which elements of the POCL Service Infrastructure are associated with which versions of various files, including Reference Data. The Contractor shall use rigorous change management processes to control the rate and nature of changes to the Software inventory, provided by the Contractor, and these shall involve a co-ordinated approach with the originator of any external data including POCL and external Clients. [S539]



**5.3.3. Release control**

5.3.3.1. The following shall be approved by POCL before any Release, this approval not being unreasonably withheld: [R476]

- a) the contents of any Release;
- b) the upgrade path for any Release;
- c) the timing of the distribution of any Release;
- d) the timing of the activation of any Release. [R476]

5.3.3.2. The Contractor shall provide proof of sufficient and satisfactory pre-testing of each Release before any Release is distributed, including the following aspects: [R476]

- a) at individual component (unit test) level;
- b) of all components of the Release, both changed and unchanged, working together (system test);
- c) of all components in combination with different Hardware and Software combinations which may be encountered when the Release is in live, non-training, use hereunder. [R476]

5.3.3.3. The Contractor shall provide proof of sufficient and satisfactory preparation for the implementation of a Release. This shall include testing the implementation, reversion, regression from the Release, and the support of any testing by POCL. [R476]

5.3.3.4. The implementation of any Release shall not cause any significant disruption to Users, shall not disrupt the normal working environment of Users and shall not require significant involvement from Users. [R476]

5.3.3.5. The implementation of any Release shall not cause any corruption to data held by or on behalf of POCL. [R476]

5.3.3.6. The Contractor shall maintain a detailed record of all Releases and where they are deployed. [R476]

**5.3.4. Asset register**

5.3.4.1. The Contractor shall provide and maintain a detailed list of all physical components installed at Premises (an asset register) and make it available to POCL on request. [R477]



5.3.4.2. The asset register shall identify all of the Equipment which is installed at each Outlet and shall be available to POCL. [R477]

5.3.4.3. The asset register shall contain operational information that shall support the management and control of both Roll Out and POCL Operational Services. Including, inter alia: [S477]

- site address and contact information;
- site implementation status details;
- system configuration details;
- Equipment types and serial numbers;
- Software versions;
- Applications versions. [S477]

5.3.4.4. The asset register shall be an integral part of the MIS. [S477]

5.3.4.5. The Asset Register shall be available for enquiries by Help Desk staff as necessary in responding to queries and calls from the Outlets. It shall be updated promptly when any new Equipment is installed in an Outlet or when new or updated Software is distributed and installed. [4.2.2.1.3]

5.3.4.6. The Asset Register shall employ SQL technology and shall be extensible to cope with any new Hardware/Software objects/attributes deployed in response to future POCL needs. [4.2.2.1.3]

#### **5.3.5. Software Distribution**

5.3.5.1. Software distribution facilities shall be provided by the Contractor which shall enable Software files and installation scripts to be distributed across the ISDN and frame relay network, part of the POCL Service Infrastructure, to a specific Outlet, all Outlets or a group of Outlets selected according to one or more particular attributes. [4.2.2.1.4]

5.3.5.2. The distribution process shall separate the transfer of Software and its subsequent installation, which shall be controlled from the installation script associated with the Software package. This shall enable the installation process to take effect at a particular date or time. [4.2.2.1.4]



5.3.5.3. The Contractor shall enable the distribution to a specific PC within an Outlet, but this will not be the normal mode of operation. [4.2.2.1.4]

**5.3.6. Configuration Management for Outlets**

5.3.6.1. The configuration details to be installed in each Outlet shall be maintained on a central server. The Contractor shall access these details during Roll Out to down-load the precise configuration (specific Software and Reference Data) applicable to each particular Outlet and install the file set on all or a subset of PCs within the Outlet. [4.2.2.1.5]

5.3.6.2. Configuration details shall also be available after completion of Roll Out to support Equipment replacement at an Outlet in situations where configuration details cannot be loaded from a local PC (typically at single Counter Position Outlets). [4.2.2.1.5]

**5.3.7. Network Management**

5.3.7.1. Network Service Infrastructure management shall be run from a central service providing facilities for reporting and diagnosing network events, consolidation and interrogation of statistics and controlling the configuration and parameter settings on network devices. [4.2.2.2]





## 6. HORIZON SYSTEM HELPDESK SERVICE

### 6.1. General

6.1.1. The Contractor shall provide the Horizon System Helpdesk service which shall be the first point of contact for Customers of the POCL Services. Customers include both POCL staff and staff of POCL Clients having a direct interface with the POCL Services. [R914]

6.1.2. The Horizon System Helpdesk shall:

- a) act as a central point for information on the working state of the POCL Services;
- b) keep customers notified of any scheduled interruptions;
- c) assist in any negotiations with POCL where interruptions to the POCL Services provided are scheduled;
- d) keep POCL informed of when the POCL Service will be restored. [R914]

6.1.3. The Contractor shall also provide the facility to receive redirected calls from POCL help desks and helplines. [R914]

### 6.2. Appropriate Levels of Support Service

6.2.1. The Contractor shall provide appropriate levels of support services:

- a) to all Users who have access to the POCL Service Infrastructure;
- b) to cover the operation of interfaces with the POCL Service Environment;
- c) to provide support for all other help desks linked to the Horizon System Helpdesk facility provided by the Contractor. [R523]

### 6.3. Levels of Service

#### 6.3.1. First Level Service

6.3.1.1. The first level Service shall provide an immediate problem solving service for all simple and straightforward problems, which can be resolved within five (5) minutes, and all general enquiries. [R914]



6.3.1.2. The first level member of staff who takes the call owns the problem from initial logging through to resolution to the customer's satisfaction. The Contractor shall cater for first level members being off duty. [R914]

#### **6.3.2. Second Level Service**

6.3.2.1. The second level Service shall provide a diagnostics and fixing service for all problems which cannot be fixed within five (5) minutes by the first level Service, but which can be resolved within thirty (30) minutes. [R914]

6.3.2.2. Calls shall be referred electronically from the first level Service to the second level Service. Second level staff shall have access to a prioritised list of outstanding problems, and all the details on the problem entered by first level staff. [R914]

#### **6.3.3. Third Level Service**

6.3.3.1. If the Horizon System Helpdesk is unable to resolve a problem at the first or second level the Contractor shall categorise and prioritise the problem so that it can be actioned and completed within a standard timescale. [R914]

### **6.4. Problem Management**

6.4.1. The Contractor shall provide a problem management system to record the problem details such as (but not exclusively):

- a) unique problem serial reference, generated automatically by the problem management system;
- b) customer contact, address, location and telephone number;
- c) date and time problem occurred;
- d) date and time problem was reported to the Horizon System Helpdesk;
- e) Horizon System Helpdesk contact;
- f) description of the problem, including frequency of occurrence;
- g) serial references of similar faults and previous occurrences;
- h) Hardware Equipment involved; serial number etc.;



- i)Software product and release version;
- j)assessed impact on customers business;
- k)priority for solution;
- l)problem category;
- m)estimated elapsed time to solve problem;
- n)any change of referral point;
- o)date and time of referral. [R914]

6.4.2. The Contractor shall update the problem management system with the following information, as appropriate:

- a)date and time of update;
- b)Horizon System Helpdesk contact updating record;
- c)textual description of the work done, or the fact that the problem had to be referred elsewhere, and who has taken it on;
- d)date and time problem was cleared;
- e)date and time the solution was accepted by the customer;
- f)actual elapsed time to solve problem. [R914]

6.4.3. The Contractor shall also keep a record of all problems relating to the failure of uploading and downloading data. [R914]

6.4.4. The Contractor's first level Service staff shall assign a priority to the problem. [R914]

6.4.5. Throughout the life of the problem the Contractor staff shall monitor the progress of the problem and inform the customer at regular intervals, to be agreed with POCL by a date consistent with the Project Plan. This shall also apply to second and third level Services. [R914]

6.4.6. The Contractor shall manage the resolution of any problem using documented procedures agreed with POCL by a date consistent with the Project Plan. These procedures shall be comprehensive in that they cover all aspects of problem resolution from initial logging through to closure. Escalation procedures shall be included. [R914]

6.4.7. A problem can only be cleared when a customer has confirmed satisfaction with the resolution. [R914]





**6.5. Systems and Services Supported**

6.5.1. The Contractor shall maintain User, asset, problem and change management databases. [R914]

**6.6. Resilience**

6.6.1. The Contractor shall be responsible for ensuring that a contingency plan is in place to cater with any Horizon System Helpdesk Incident, e.g. loss of staff, loss of telephone system, loss of problem/configuration management system. The contingency plan is to be agreed with POCL by a date consistent with the Project Plan and shall state how quickly the POCL Service will be restored in the event of an Incident. [R914]

**6.7. Training**

6.7.1. The Contractor shall provide training as defined in the Training and User Awareness Baseline Document (reference BP/TRN/001) to ensure POCL staff work effectively with the Horizon System Helpdesk. The Contractor shall develop and implement training plans for its own staff. [R914]

**6.8. Personnel**

6.8.1. The Contractor shall ensure that all staff, including back-up staff, employed on the Horizon System Helpdesk Service have suitable and appropriate skills and training. The Contractor shall ensure that sufficient skilled resources are available to cater for holidays, sickness and natural wastage within the Contractor's organisation. [R914]

**6.9. Service Monitoring**

6.9.1. The Contractor shall produce POCL Service information, in electronic form and/or paper, and shall deliver this information to POCL within two (2) POCL Core Days of the end of the period to which they relate. The following is an example of the information required:

- a) number of calls outgoing/received/number of calls not answered;
- b) percentage of calls answered within target times;
- c) number of problems/queries logged;
- d) number and percentage of problems/queries solved within target times;



- e) number of problems / queries assigned to first level that were not cleared within ten (10) minutes;
- f) number of problems/queries with secondary complications (e.g. repeat calls);
- g) number of problems/queries escalated;
- h) percentage of time full Horizon System Helpdesk Service was available;
- i) Contractor performance against Service Levels for response;
- j) POCL Service availability at each Outlet. [R914]

6.9.2. POCL may wish to analyse the information by:

- a) category of operational problem/query;
- b) level and solving group at which the problem/query was solved;
- c) customer group and location;
- d) mean time to closure. [R914]

6.9.3. The Contractor shall retain Horizon System Helpdesk records for a minimum of eighteen (18) months. [R914]

6.9.4. Each quarter a survey shall be conducted by POCL to determine User satisfaction with the Horizon System Helpdesk Service. POCL and the Contractor shall agree the approach to be taken and the format/content of the questionnaire by a date consistent with the Project Plan. [R914]

6.9.5. The Contractor shall, on request, provide on-line access to the problem management system. POCL shall inform the Contractor of who is authorised to access the system. The Contractor shall provide ad hoc reports, as requested by POCL, within three (3) POCL Core Days. [R914]

#### 6.10. Horizon System Helpdesk Availability from Day One

6.10.1. The Contractor shall ensure that all the support Services shall be available before activation of the POCL Service Infrastructure in each POCL Premises in line with the Service Levels. [R520]



**6.11. Horizon System Helpdesk Services Single Point of Access**

6.11.1. The Contractor shall provide one telephone number as a single point of access to all Horizon System Helpdesk Services. [R521]

**6.12. Horizon System Helpdesk Telephone Number**

6.12.1. The Horizon System Helpdesk contact point for POCL Users shall be a local rate telephone number. [R522]

**6.13. Horizon System Helpdesk POCL Service INFRASTRUCTURE Support**

6.13.1. The Horizon System Helpdesk Service shall deal, without limitation, with calls relating to the POCL Service Infrastructure. This shall include, but is not exclusive to:

- a) fault diagnosis;
- b) maintenance call out;
- c) caretaking advice;
- d) configuration management. [R524]

**6.14. Horizon System Helpdesk Additional Support Services**

6.14.1. The Horizon System Helpdesk shall be able to provide access for Users to additional support Services (including training facilities, training materials, operational support documentation, and, if POCL contracts to procure consumables from the Contractor, consumables) by the commencement of Roll Out and shall provide such access thereafter when requested to do so by POCL. [R525]

**6.15. Horizon System Helpdesk Resolution of Reported Incidents**

6.15.1. All reported Incidents shall be resolved in line with Service Levels in Schedule G10. [R526]

**6.16. Horizon System Helpdesk availability**

6.16.1. A dedicated Horizon System Helpdesk staffed by fully trained, qualified and experienced personnel shall be provided working to Service Levels in Schedule G10. [R527]



**6.17. Horizon System Helpdesk Re-Routing of Calls**

6.17.1. Calls made to the Horizon System Helpdesk that are not pertinent to it shall be re-routed to the appropriate point. [R528]

**6.18. Help Desk Compliance with POCL Help Service Behavioural Standards**

6.18.1. The Horizon System Helpdesk Service shall comply with agreed help service behavioural standards. [R529]





NOT USED



NOT USED



SCHEDULE G04- POCL INFRASTRUCTURE ACCEPTANCE CRITERIA

1. Subject to Clause 201.6, the POCL Infrastructure Services shall meet the following Acceptance Criteria, namely that POCL Infrastructure Services shall be as specified in Schedule G01 and shall interwork with the Service Environment specified in Schedule 1 and the POCL Application Services and EPOSS specified in Schedules E01, F01, and H01 ensuring that:
  - (a) data shall be received, stored and transferred in a secure manner, timeously and without corruption; and having been validated as specified in Schedule B08; and
  - (b) data shall be secured against fraudulent attack as far as the Codified Agreement requires; and
  - (c) the POCL Infrastructure Services have the contingency arrangements specified in Schedules G01 and G11 and that all contingency arrangements can be implemented successfully; and
  - (d) the POCL Infrastructure Services meet the Minimum Acceptable Thresholds specified in Schedule G10.





CODIFIED AGREEMENT                      SCHEDULE G05                      RESTRICTED CONTRACTS

SCHEDULE G05 - POCL INFRASTRUCTURE POCL RESPONSIBILITIES

1.            INTRODUCTION

- 1.1.        This        Schedule        specifies        the        actions        and  
responsibilities that POCL shall fulfil in order to  
enable the Contractor to meet its obligations under  
Schedule G01 and related Schedules.
- 1.2.        The        table        under        paragraph        2        below        matches        the  
paragraphs in Schedule G01 to the POCL Responsibilities  
that are set out in Schedule A16 of the Codified  
Agreement.
- 1.3.        For the avoidance of doubt the omission of relevant  
POCL Responsibilities from paragraph 2 below shall not  
relieve POCL from any such relevant POCL  
Responsibilities as are expressed in Schedule A16 of  
the Codified Agreement.



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## SCHEDULE G05

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## 2. POCL RESPONSIBILITIES

Paragraph reference	Responsibility
2.2.1	559
2.2.2, 2.2.4	558
2.3.1.1, 2.3.1.2, 2.3.1.4, 2.3.1.5, 2.3.1.6, 2.3.1.7	463
2.3.2.1, 2.3.2.2	465
2.3.3.1, 2.3.3.2, 2.3.3.3	468
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2.3.6.1	542
2.3.7.3, 2.3.7.3(f), 2.3.7.4, 2.3.7.4(i)	555
2.3.8.1, 2.3.8.2, 2.3.8.3	560
2.3.9.1, 2.3.9.2, 2.3.9.3	827
2.3.10.1	836
2.4.1.1, 2.4.1.2, 2.4.1.3, 2.4.1.4, 2.4.1.5, 2.4.1.6, 2.4.1.7	473
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2.5.3.1, 2.5.3.2, 2.5.3.3	557
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2.6.4.1, 2.6.4.2	952
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3.3.1.1, 3.3.1.2, 3.3.1.3, 3.3.1.4, 3.3.1.5	541
3.3.2.1	480
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3.3.4.1, 3.3.4.2, 3.3.4.4, 3.3.4.5	479
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3.4.1.10	891
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4.2.5.1, 4.2.5.2	471
4.3.1	464
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5.3.2.1, 5.3.2.2, 5.3.2.3, 5.3.2.4	539



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## RESTRICTED CONTRACTS

5.3.3.1, 5.3.3.2(c), 5.3.3.3, 5.3.3.4, 5.3.3.5, 5.3.3.6	476
5.3.4.1, 5.3.4.2, 5.3.4.3, 5.3.4.4	477
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6.12.1	522
6.13.1	524
6.14.1	525
6.15.1	526
6.16.1	527
6.17.1	528
6.18.1	529



**SCHEDULE G06- POCL INFRASTRUCTURE ROLL-OUT AND IMPLEMENTATION****1. PURPOSE**

- 1.1. This Schedule sets out provisions for the Roll-Out and implementation of the POCL Infrastructure Services, and the POCL Service Infrastructure necessary for provision of the Core System Services.

**2. GENERAL**

- 2.1. Roll-Out of the POCL Service Infrastructure and the Core System Services shall be undertaken in accordance with the Project Plan, and during the Operational Trial as in section 10 below. All roll-out and implementation work shall be subject to the over-riding requirement to:

- a) maintain Services and Client continuity;
- b) maintain the quality of service delivery to Clients and Customers;
- c) ensure appropriate support systems - including training - are in place;
- d) avoid damage to POCL's brand, reputation and integrity;
- e) treat POCL staff and Agents professionally and with respect. (R512)

- 2.2. Preparation work shall be carried out with due consideration to a given Outlet and with minimum disruption to services in accordance with the document "Mitigating Disruption in Post Offices during Preparation Activities" reference IM/STR/057. The CONTRACTOR shall carry out all installation, modification, and survey activities with minimum degradation of post office and retail operations (including any existing computer, telecommunications and other systems at the Outlet), and installation at an Outlet shall be carried out within the Outlet's hours of business.

- 2.3. Subject to the paragraph 2.2 above, "minimum degradation" as used in this Schedule shall mean that:

- (a) During installation, modification, and survey activity:
  - i. In 2 to 4 Counter Position Outlets no more than one Counter Position shall be closed at any one time;





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- ii. In 5 to 10 Counter Position Outlets no more than 2 Counter Positions shall be closed at any one time;
  - iii. In 11 or more Counter Position Outlets no more than three Counter Positions shall be closed at any one time
  - (b) Stock unit and balancing information must be migrated to the POCL Services in a time scale that allows daily/weekly office accounting to be completed within the constraints of (a) above. [R502]
- 2.4. The Contractor shall conform to POCL'S Roll-Out strategy, which is as follows: (R972)
- a) Installation will prioritise the following 7 major conurbations for Roll-out:
- West Midlands;
  - Greater Manchester;
  - Merseyside;
  - Leeds/Bradford;
  - Tyne & Wear;
  - Glasgow/Edinburgh;
  - Urban South Wales.
- b) The M25 Roll-Out shall take place during the second half of the Roll-Out Programme.
- 2.5. For the purpose of Roll-Out planning the Contractor shall make no particular distinction between types of "main" Outlet (e.g. branch offices, sub post offices and franchised post offices). (R510)
- 2.6. The Contractor shall give due consideration to the implementation plan for Parent Outlets and Satellite Outlets. (R834)
- 2.7. The plan for Roll-Out of the POCL Service Infrastructure for each Outlet shall be agreed (such agreement not to be unreasonably withheld) by the Contractor and POCL. (R941) (S941)
- 2.8. [Not used]
- 2.9. The Contractor shall provide a process to ensure that Horizon Implementation Managers, as nominated by POCL, and all Outlet Managers are aware of and agree the times



and dates of all site visits related to Roll-Out. The relevant Horizon Implementation Manager shall be the final arbiter in case of disagreements between the Contractor and the Outlet Manager. (R501) (S501)

- 2.10. A process shall be jointly developed by the Contractor and POCL to record acceptance of each stage (survey, modification and installation) of implementation at POCL Premises.
- 2.11. The Contractor shall provide a process to be agreed by POCL for determining that individual POCL Premises are ready to go live i.e. that the POCL Service Infrastructure functionality at such POCL Premises shall be activated for use. POCL may withhold agreement to such activation if, for any reason, it determines that in a particular set of circumstances such activation is detrimental to its Customers, Clients, staff, or Agents. If such activation is not sanctioned, POCL and the Contractor shall resolve outstanding issues as soon as possible. (R514)
- 2.12. POCL reserves the right to request amendments to the roll-out plan, in accordance with the Change Control Procedure, as necessary to protect its Service Levels. (R516)
- 2.13. POCL reserves the right to suspend Roll-Out if the Contractor fails to deliver Services to the Service Levels. (R508)

### 3. SURVEY OF OUTLETS

- 3.1. The Contractor shall carry out the survey of Outlets, to the Service Levels set out in Schedule G10, to ascertain what modifications are needed to install the POCL Service Infrastructure. (R487)
- 3.2. The Contractor shall carry out all survey activities with minimum degradation of post office and retail operations - including, but not limited to, any existing computer, telecommunications and other systems at the Outlet. (R502)
- 3.3. The site survey shall be undertaken at a date and time which shall be agreed with the Outlet Manager. [R945]
- 3.4. Each Outlet survey shall be completed in a single visit to the Outlet. (R518) (R945)
- 3.5. The Contractor shall provide a minimum of five POCL Core Days written notice of the site survey date to the relevant Outlet Manager. [R945]



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- 3.6. The Contractor shall agree with the Outlet Manager the number of Counter Positions to be automated. Should this not be agreed, POCL shall be the final arbiter. POCL shall, before the commencement of Roll-Out, identify to the Contractor its authorised representative for these purposes. [R945]
- 3.7. The Contractor shall, during the Outlet survey, determine the modifications to be undertaken at each Outlet including as necessary, but not limited to:
- installation of electrical wiring back to the Outlets power distribution box, including upgrading of power distribution box and connection, if required, by the electricity company if caused by the increased electrical loading
  - installation of local area network cables and connections
  - installation of wide area network cables and connections
  - any building work, including joinery required at Counter Positions required to position and connect the OPS equipment. (S491)
- 3.8. The surveyor shall conform to the agreed identification process before starting the site survey. [R945]
- 3.9. The Contractor shall give one POCL Core Day notice to the Outlet Manager and the Regional Liaison Manager of a cancelled appointment. [R945]
- 3.10. The Contractor shall agree on a case by case basis, (within parameters which shall be agreed by POCL and the Contractor) with the Outlet Manager and obtain sign off of the siting of the elements of the Service Infrastructure used to provide OPS. [R945]
- 3.11. A quality survey shall be conducted by POCL to measure User satisfaction with the site survey. POCL and the Contractor shall agree the approach to be taken and the format/content of the quality survey. [R945]

#### 4. OUTLET MODIFICATIONS

- 4.1. The Contractor shall carry out internal office modification work at all POCL Premises in accordance with Clause 406 of the Codified Agreement, to the Service Levels set out in Schedule G10. (R491)
- 4.2. The Contractor shall in each case obtain certification from the appropriate Authorised Official that relevant





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- permissions have been granted before modifications to POCL Premises are carried out. (R500) (S500)
- 4.3. The Contractor, including any sub-contractors, shall conform to all legislative requirements when carrying out modification work at Outlets. (R492)
- 4.4. The Contractor shall carry out all preparation activities with minimum degradation of post office and retail operations in accordance with the document "Mitigating Disruption in Post Offices during Preparation Activities" reference IM/STR/057 - including any existing computer, telecommunications and other systems at the Outlet. The Contractor shall carry out all modification activities with minimum degradation of post office and retail operations (including any existing computer, telecommunications and other systems at the Outlet).
- 4.5. The modifications will be completed in one visit to the Outlet. BT ISDN lines installation may be carried out separately and with prior notification to Regional Liaison Manager and/or Outlet Manager (approval not required for ISDN installation provided that it is carried out during the normal working hours of the relevant outlet). It is recognised that modification work in larger outlets, i.e. those with more than 6 counter positions may need to span one day. In these, or other exceptional circumstances, arrangements to complete such work over more than one day will be subject to mutual agreement between the Contractor, Regional Liaison Managers and/or Outlet Managers, but such agreement shall not be unreasonably withheld. (R517)
- 4.6. The modifications shall be undertaken at a date and time which shall be agreed with the Outlet Manager. [R945]
- 4.7. The Contractor shall provide a minimum of five POCL Core Days written notice of the date for modifications to the Outlet to the Outlet Manager. [R945]
- 4.8. The Contractor shall give one POCL Core Day notice to the Outlet Manager and the Regional Liaison Manager of a cancelled appointment. [R945]
- 4.9. The Contractor shall make good any damage caused to POCL Premises by the Contractor's staff or subcontractors, within 5 POCL Core Days of receiving notification of such damage. POCL shall provide written notification to the Contractor of any damage caused by the Contractors staff or subcontractors within 5 POCL Core Days of the occurrence of such damage. The notification shall include details of the date, time and location of the occurrence and the nature and extent of the damage. In



the event that the nature, extent or responsibility for alleged damage is disputed by the Contractor then the matter will be referred for resolution to the Service Management function defined in Schedule G07 of the Codified Agreement.

[R945]

- 4.10. Modifications shall not be carried out during certain agreed periods. These periods shall be agreed in advance between the Contractor and POCL every quarter. [R945]
- 4.11. Visits to carry out further modifications shall be scheduled by the Contractor with the Outlet Manager. [R945]
- 4.12. A quality survey shall be conducted by POCL to measure User satisfaction with the modifications. POCL and the Contractor shall agree the approach to be taken and the format/content of the quality survey. [R945]

## 5. INSTALLATION

### 5.1. Installation of the Office Platform

- 5.1.1. The Contractor shall install the POCL Service Infrastructure necessary for OPS in Outlets to the Service Levels set out in Schedule G10. (R497)
- 5.1.2. The Contractor shall install the Equipment at any site designated by POCL which may include Cash Centres and training centres. (R496)
- 5.1.3. The Contractor shall provide the Equipment at Counter Positions (including modified parcel positions and some non-modified positions) subject to the limit in Annex 5 of Schedule A12. (R495)
- 5.1.4. Unless otherwise agreed by POCL, installation at an Outlet shall be carried out within the Outlet's hours of business. (R490)
- 5.1.5. Unless otherwise agreed by POCL the installation and acceptance of POCL Service Infrastructure used to provide the OPS shall be undertaken within one day at each location in the POCL Premises. (R488)
- 5.1.6. For each Outlet, the Contractor shall install the counter Equipment on the same day that it is delivered unless specifically requested otherwise by POCL. Installation shall include, but not be limited to, physical placement, connection to the POCL Service Infrastructure, agreed connection of existing equipment and testing. (R906) (S906)



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- 5.1.7. Within a specification to be agreed with POCL, and subject to Health and Safety legislation and ergonomic considerations, the siting of the elements of the POCL Service Infrastructure in each Outlet shall be agreed by the Outlet Manager. (R509) (S509)
- 5.1.8. The Contractor shall carry out all installation activities with minimum degradation of post office and retail operations - including, but not limited to, any existing computer, telecommunications and other systems at the Outlet. (R511)
- 5.1.9. The Contractor shall provide a minimum of five POCL Core Days written notice of the installation date to the Outlet Manager. [R945]
- 5.1.10. The installation shall be undertaken at a date and time which shall be agreed with the Outlet Manager. [R945]
- 5.1.11. Unless otherwise agreed with the POCL Horizon Implementation Manager and/or Outlet Manager, the Contractor shall minimise installation of the Equipment on POCL Premises during particular business periods, namely Christmas and New Year pressure periods (i.e. from mid-November to the first week in January), and other specific dates to be agreed by the Contractor and POCL on an annual basis (such agreement not to be unreasonably withheld or delayed). (R507)
- 5.1.12. The Contractor shall give one POCL Core Day notice to the Outlet Manager and the Horizon Implementation Manager of a cancelled appointment. [R945]
- 5.1.13. A quality survey shall be conducted by POCL to measure User satisfaction with the installation. POCL and the Contractor shall agree the approach to be taken and the format/content of the quality survey. [R945]
- 5.1.14. The Contractor shall inform POCL at the end of each POCL Core Day, in a format to be agreed, of the following, though not exclusively: [R945]
- a) the Outlets that have been successfully installed;
  - b) configuration details;
  - c) serial numbers of the elements of the Service Infrastructure installed.
- 5.1.15. The Contractor shall at the end of each calendar month inform POCL of any configuration changes or swapouts and the relevant serial numbers. [R945]



5.1.16. The Contractor shall make good any damage caused to POCL Premises by the Contractor's staff or subcontractors, within 5 POCL Core Days of receiving notification of such damage. POCL shall provide written notification to the Contractor of any damage caused by the Contractor's staff or subcontractors within 5 POCL Core Days of the occurrence of such damage. The notification shall include details of the date, time and location of the occurrence and the nature and extent of the damage. In the event that the nature, extent or responsibility for alleged damage is disputed by the Contractor then the matter will be referred for resolution to the Service Management function defined in Schedule G07 of the Codified Agreement.

[R945]

## 5.2. Removal of Existing Equipment

5.2.1. The Contractor shall, on completion of implementation and using an agreed process, disconnect and move existing automated equipment as specified by POCL, and identified during the relevant site survey, to a single location in mainland UK agreed with POCL from time to time. (R489)

5.2.2. Such existing automated equipment shall be limited to the PC configurations that support ECCO and/or ESNS at 15 May 1996.

## 6. IMPLEMENTATION - MIGRATION OF EXISTING PRODUCTS AND SYSTEMS

6.1. The Contractor shall migrate existing POCL Products and POCL systems from current POCL platforms - APT, ECCO+, ALPS, manual - to the POCL Service Infrastructure with no discontinuity of service to Customers and Clients. The Contractor shall work closely with POCL to plan how best to achieve effective migration. At Outlets, data transfer and associated tasks shall be expedited as efficiently as possible with minimum staff / subpostmaster involvement.

6.2. In-office data migration shall be carried out in accordance with the Migration Specification. To the extent that paragraph 6.1 is in conflict or inconsistent with the Migration Specification the Migration Specification prevails.

6.3. The Contractor shall utilise existing POCL equipment as specified in Schedule A09. (R504)





**7. [NOT USED]****8. SUPPORT SERVICES**

- 8.1. The Contractor shall provide a process to identify Users where additional training or other corrective action is required within the contractual training window during National Rollout. Additional training and corrective action will be delivered in accordance with the Contractor's Remedial Training document (reference SU/TRN/006), and referred to in the Training and User Awareness Baseline document (reference BP/TRN/001).
- 8.2. Installation of the POCL Service Infrastructure shall not take place until the OPS and associated support Services are available. (R499) (S499)
- 8.3. The Horizon System Helpdesk (as described in Schedule G01) shall provide access for Users to additional support Services (including, but not limited to, training facilities, training materials, operational support, technical support, documentation, and consumables) by the commencement of Roll-Out and shall provide such access thereafter when requested to do so by POCL. (R525)

**9. IMPLEMENTATION STRATEGY FOR RECONCILIATION DATA**

- 9.1. Clients served using the APS shall receive only one stream of unreconciled data irrespective of the source of the polling at Outlets (whether via the POCL Data Polling Centre at Farnborough or Contractor facilities). The Contractor and POCL shall agree (such agreement not to be unreasonably withheld or delayed) a strategy to achieve this requirement as from the commencement of Roll-Out. (R971)
- 9.2. The strategy shall include, but not exclusively, a timetable separate from and shorter than the Roll-Out Programme, for the Contractor to absorb the reducing workload from the POCL Data Polling Centre. (R971)

**10. AP CLIENT LIABILITY DURING THE OPERATIONAL TRIAL**

- 10.1. Until the completion of the Operational Trial, the Contractor shall indemnify POCL in the event of POCL incurring liabilities to their AP Clients as a result of service level failures in the POCL Services. Once the Operational Trial has successfully completed, the liabilities defined elsewhere in this Codified Agreement shall prevail over this paragraph. The parties shall agree a limit to such an indemnity, such agreement not to be unreasonably withheld or delayed.



**11. OUTLET CHANGE**

11.1. Subject to the limitations in annex 5 to Schedule A12, the Contractor shall provide the following Optional POCL Services defined in the Operational Business Change Catalogue at no charge to POCL:

- a) provision and installation of the POCL Service Infrastructure used for OPS at Counter Positions not previously so automated as directed by POCL; (R519)
- b) the Contractor shall be responsible for the removal / fitting of the Equipment when Outlets are either relocated or refurbished.



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SCHEDULE G07- POCL INFRASTRUCTURE SERVICE MANAGEMENT

## 1. OBJECTIVES OF SERVICE MANAGEMENT

- 1.1. The objectives of the management of the POCL Infrastructure Service are to monitor and manage the delivery of the POCL Infrastructure Service, and to report on the same to the Contract Steering Group defined in Schedule A04.
- 1.2. The sections below detail (without limitation) the specific objectives of key activities that will be undertaken. The significance of the detailed tasks may vary over the life of this Codified Agreement.

## 2. ORGANISATION

## 2.1. General

- 2.1.1. The Contractor and POCL shall establish an organisational structure to manage the delivery of the POCL Infrastructure Service in accordance with Schedule G01 and all other applicable provisions hereof. The key roles within this organisation are identified in sections 3 and 4 below.
- 2.1.2. Any changes to the organisation defined in this Schedule shall be made in accordance with Clause 101.2.
- 2.1.3. The specific individuals to fulfil the roles identified in the organisation shall be communicated in writing between the parties to this Codified Agreement.

## 3. CONTRACTOR ROLES KEY TO THE DELIVERY OF THE SERVICE

## 3.1. Introduction

- 3.1.1. The roles and responsibilities within the Contractor's organisation specific to the delivery of the POCL Infrastructure Service are detailed below. One person may perform more than one of these roles.

## 3.2. Operational Service Manager

- 3.2.1. The Operational Services Manager shall be responsible for building a strategic relationship at the appropriate level in POCL with an emphasis on operational requirements of this Service. The Operational Services





Manager shall attend the quarterly Service Review Meeting.

### 3.3. Service Manager

3.3.1. The Service Manager shall be responsible for the overall delivery of the POCL Infrastructure Service to POCL. The Service Manager shall specifically be responsible for:

- a) the maintenance of Service Levels in accordance with Schedule G10;
- b) the provision of monthly service reports as described below;
- c) briefing the Contractor's attendees at the Contract Steering Group Meetings as described in Schedule A04;
- d) briefing the Operational Services Manager in advance of the quarterly service review meetings;
- e) facilitating joint quality initiatives with POCL.

### 3.4. The Service Help Desk Manager

3.4.1. The Horizon System Helpdesk manager for this service shall be responsible for the management of POCL problems and enquiries.

## 4. POCL ROLES KEY TO THE DELIVERY OF THE SERVICE

### 4.1. Introduction

4.1.1. The roles and responsibilities of POCL specific to Service Management are detailed below. One person may perform more than one of these roles.

### 4.2. Business manager

4.2.1. The POCL Business Manager is the individual responsible for the business which the Service supports. The Business Manager shall attend the quarterly Service Review Meeting.

### 4.3. POCL Liaison Manager

4.3.1. The POCL Liaison Manager is responsible for the day-to-day liaison with the Contractor. The POCL Liaison



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Manager provides the first point of contact with the Contractor. This manager shall specifically be responsible for:

- (a) monitoring delivered Service Levels;
- (b) receipt and analysis of the Contractor's monthly service reports;
- (c) briefing the POCL Business Manager in advance of the Service Review Meetings;
- (d) briefing the POCL attendees at the Contract Steering Group Meetings as described in Schedule A04;
- (e) facilitating joint quality initiatives with the Contractor.

#### 4.4. Key Personnel

- 4.4.1. The specific individuals who fulfil the roles defined for POCL shall be notified to the Contractor in writing in advance of their taking up the post.

### 5. ESCALATION PROCEDURES

- 5.1. The Contractor and POCL shall operate escalation procedures for issues affecting the POCL Infrastructure Service in accordance with the provisions of Schedule A04 of the Codified Agreement.

### 6. MONITORING

#### 6.1. Service Reporting

- 6.1.1. The Contractor shall provide POCL with monthly service management reports, which shall be produced within five(5) working days of the calendar month end, unless agreed otherwise. The service management reports shall allow POCL to monitor the Contractor's Service provision and achievement of the Service Levels.
- 6.1.2. Service management reports shall include but are not restricted to the following attributes:
  - (a) availability of service;
  - (b) service breaks/service failures;
  - (c) planned maintenance breaks;



- (d) service delivery changes; and
- (e) Incidents resolved and outstanding;
- (f) and data to support Schedule G10.

6.1.3. The Contractor shall provide POCL with access to the raw data used to generate service management reports when requested to allow POCL to generate POCL internal reports.

## 6.2. Service Review Meetings

6.2.1. The POCL Business Manager and the Contractor's Operational Service Manager shall meet every three months (or as otherwise agreed by the POCL Business Manager and the Contractor's Operational Service Manager) to review Service Levels, Incidents and Problems reported in the previous period.

6.2.2. In addition POCL shall advise the Contractor of its requirements for implementation of the Service at new Outlets.

6.2.3. Other Contractor staff and POCL staff may attend these meetings at the request of either the Contractor or POCL to resolve particular matters on the agenda.

6.2.4. A typical agenda for such a meeting may include, without limitation:

- (a) Service management reports;
- (b) highlights of previous period's service statistics, concentrating on failures to meet required Service Levels, including major Incidents reported, Service trends and Service achievements;
- (c) explanation of unresolved Incidents and, in particular, any matters still outstanding;
- (d) review of the on-going actions, such as fault correction, agreed service changes and any POCL related work;
- (e) change management progress report;
- (f) suggestions for improvements to Service;



(g) advance notification of major changes and new work, and review of the impact these may have on Service requirements;

(h) any implementation requirements.

6.2.5. The Contractor shall prepare the necessary reports for discussion at these meetings.

6.2.6. POCL shall keep a record of these meetings and shall distribute the record to the Contractor and to the POCL Contract Manager for review at the Contract Steering Group Meeting (see Schedule A04).

6.2.7. The Service Review Meeting shall normally take place at least five (5) days after the delivery date of each third monthly service management report provided by the Contractor to POCL.





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SCHEDULE G08

RESTRICTED CONTRACTS

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SCHEDULE G08- POCL INFRASTRUCTURE SERVICE TRANSFER

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**SCHEDULE G10 - POCL INFRASTRUCTURE SERVICE LEVELS AND REMEDIES****1. PURPOSE**

- 1.1. This Schedule details Service Levels and liquidated damages applicable for the POCL Infrastructure Services.

**2. OVERVIEW OF THE SERVICE LEVEL MECHANISM**

- 2.1. Schedule B10 sets out the aggregation of each POCL Service's Service Levels
- 2.2. This Schedule defines the levels of Service required by POCL from the POCL Infrastructure Service, and details the associated liquidated damages in the event that the levels of Service fail to meet these requirements.
- 2.3. This Schedule specifies Service Levels which are associated with specific liquidated damages and other Service Levels that do not have associated liquidated damages.
- 2.4. The reporting of actual levels of Service as compared with Service Levels, the calculation of liquidated damages and the payment of liquidated damages, shall be in accordance with Schedule A06.
- 2.5. All monetary values specified in this Schedule shall be subject to annual indexation from the 15<sup>th</sup> May 1996. The basis for this indexation shall be the Retail Price Index.
- 2.6. Each Service Level, which has associated liquidated damages, has two Service Level thresholds ("Service Thresholds"):
- Minimum Acceptable Threshold;
  - Termination Review Threshold.
- 2.7. For any Service Level where liquidated damages apply in the event that the actual level of Service falls below the Minimum Acceptable Threshold, such liquidated damages shall apply to the extent that the actual level of Service falls below the Minimum Acceptable Threshold and above the Termination Review Threshold. Where the actual level of Service falls below the Termination Review Threshold, liquidated damages shall apply to the extent that the actual level of Service falls below the Minimum Acceptable Threshold and above the Termination Review Threshold, and damages at large rather than liquidated damages





shall apply to the extent that the actual level of Service falls below the Termination Review Threshold.

2.8. Each Service Level which has no associated liquidated damages has a single Service Threshold.

2.9. POCL is primarily concerned with the overall performance of the Service as it impacts upon their business. Target Service Levels between the Services are therefore not set by POCL. However, the Contractor shall set its own target Service Levels and advise POCL of both internal target Service Levels and any subsequent changes. The Contractor shall monitor and report to POCL the actual measured performance against their own target Service Levels. The timing, content and format of this report shall be agreed between the Contractor and POCL prior to Operational Trial Acceptance Date.

### 3. POCL SERVICE LEVELS WITH ASSOCIATED LIQUIDATED DAMAGES

#### 3.1. Data file delivery

3.1.1. Data files shall be delivered to TIP by 03:00. [G01 - para 3.4.1.5 (b)]

3.1.2. In each case the proportion of Transaction records delivered to TIP in the first and subsequent data file transmission (i.e. Transaction on day A, delivery to TIP by 03:00 day B, day C, day D) shall be measured by the Contractor.

3.1.3. The Minimum Acceptable Threshold is that:

- 97% of all Transaction records to be delivered by day B;
- 99% of all Transaction records to be delivered by day C;
- 100% of all Transaction records to be delivered by day D.

3.1.4. The Termination Review Threshold is that:

98% of all Transaction records to be delivered by day D.

3.1.5. Liquidated damages are calculated as follows:

Liquidated damages =  
(((100 - actual level of Service by day D) / 100) \*  
total number of Transactions records \* 1.0 pence) +



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((99 - actual level of Service by day C) / 100) \*  
(total number of Transactions records - any also  
failing at day D) \* 1.0 pence) +  
(((97 - actual level of Service by day B) / 100) \*  
(total number of Transactions records - any also  
failing at day D and day C) \* 1.0 pence).

## 3.2. Time to Repair

3.2.1. Incidents which prevent an individual Outlet from using the normal (non-fallback) Services shall be resolved as follows, except where different numbers of working hours have been agreed in respect of the specific Outlet.

3.2.2. The Minimum Acceptable Threshold is:

- 100% resolved within six ( 6) hours (Local Remedial), nine ( 9) hours (Intermediate Remedial) and twelve ( 12) hours (Remote Remedial), when Incidents have resulted in a substantial impact on all automated Counter Positions in the Outlet (Priority 'A' HSH Call);
- 100% fixed within ten ( 10) hours (Local Remedial), fifteen ( 15) hours (Intermediate Remedial) and twenty four ( 24) hours (Remote Remedial) when Incidents have resulted in a substantial impact on an automated Counter Position, but not all automated Counter Positions, in the Outlet (Priority 'B' HSH Call)

3.2.3. Downtime is defined as starting once the Incident is reported to the Help Desk. For the purposes of time to repair only time within the POCL Core Day is counted.

Table: Time to Repair Profiles

Class Call	Local Non-Remedial	Local Remedial	Intermediate Non-Remedial	Intermediate Remedial	Remote Non-Remedial	Remote Remedial
'A' Priority	4 hours	6 hours	6 hours	9 hours	8 hours	12 hours
'B' Priority	8 hours	10 hours	10 hours	15 hours	12 hours	24 hours

Within the above table the following interpretation applies:

- a) Non-Remedial is the service performance measure target time against which the minimum acceptable level of service is measured (paragraph 4.2.2 refers) and liquidated damages are not incurred



- b) Remedial is the service performance target time after which liquidated damages commence (paragraph 3.2. 2 refers)

Note: i) All Outlets with the exception of those in the locations listed in the Definition of Remote and Intermediate Locations document are defined as 'Local' for the purpose of Time to Repair measures.

- ii) All outlet changes will be subject to Operational Business Change. A new outlet location will assume the same service level as the one it replaces unless it moves postal zone (eg: BT7 1\*\* from BT7 2\*\*) in which case the service level to be applied will be agreed with the POCL Operational Service Manager.

3.2.4. Liquidated damages are calculated as follows:

Where all Counter Positions in the Outlet experience downtime > 6 hours (Local):

Downtime cost =  
((Seconds of Outlet downtime - (6 \* 3600)) \* number of automated Counter Positions in Outlet \* 0.7 pence);

Where all Counter Positions in the Outlet experience downtime > 9 hours (Intermediate):

Downtime cost =  
((Seconds of Outlet downtime - (9 \* 3600)) \* number of automated Counter Positions in Outlet \* 0.7 pence);

Where all Counter Positions in the Outlet experience downtime > 12 hours (Remote):

Downtime cost =  
((Seconds of Outlet downtime - (12 \* 3600)) \* number of automated Counter Positions in Outlet \* 0.7 pence);

Where at least one Counter Position in an Outlet, but not all, experiences downtime > 10 hours (Local):

Downtime cost =  
((Seconds of Outlet downtime - (10 \* 3600)) \* number of automated Counter Positions affected in Outlet \* 0.7 pence),



Where at least one Counter Position in an Outlet, but not all, experiences downtime > 15 hours (Intermediate):

Downtime cost =  
((Seconds of Outlet downtime - (15 \* 3600)) \* number of automated Counter Positions affected in Outlet \* 0.7 pence),

Where at least one Counter Position in an Outlet, but not all, experiences downtime > 24 hours (Remote):

Downtime cost =  
((Seconds of Outlet downtime - (24 \* 3600)) \* number of automated Counter Positions affected in Outlet \* 0.7 pence),

Total Excess time cost = the total amount of liquidated damages calculated in Schedule B10, for POCL Transactions at all Outlets

Total downtime cost = the aggregation of the Downtime Cost for all Outlets over the Service Level Measurement Period

If total downtime cost > total excess time cost, then the additional liquidated damages are:

total downtime cost - total excess time cost.

#### 4. POCL SERVICE LEVELS WITH NO ASSOCIATED LIQUIDATED DAMAGES

##### 4.1. Reference Data

4.1.1. Reference Data is delivered to the Contractor at any time prior to, or on the day preceding, its implementation date.

4.1.2. The Minimum Acceptable Threshold is that:

- for Reference Data delivered to the Contractor by 20:00 on the day preceding their implementation date, the percentage of Counter Positions referencing the correct version of the Reference Data at the start of the POCL Core Day on the implementation date of the data is not less than 97%; and
- for Reference Data delivered to the Contractor by 20:00 on the day preceding their implementation





date, the percentage of Outlets referencing the correct version of the Reference Data at the start of the POCL Core Day on the day after the implementation date of the data is not less than 99%; and

- for Reference Data delivered to the Contractor by 20:00 on the day preceding their implementation date, the percentage of Outlets referencing the correct version of the Reference Data at the start of the POCL Core Day on the day two days after the implementation date of the data is 100%; and

Note: Reference Data will be timed from Release by POCL Authorisation Board to Pathway to its Receipt by the Post Office.

There is at present workgroup activity taking place between POCL and ICL Pathway to further revisit and upgrade Reference Data SLA's post- NR2

- 4.1.3. On occasions (for example - to implement Reference Data changes consequent on a Budget Day by start of business on the following day) the Contractor shall implement changes to a tighter timescale. [R539]

#### 4.2 Time to Repair

- 4.2.1 Incidents which prevent an individual Outlet from using the normal (non-fallback) Services shall be resolved as follows, except where different numbers of working hours have been agreed in respect of the specific Outlet.

- 4.2.2 The Minimum Acceptable Threshold is:

- 95% resolved within four (4) hours (Local Non-Remedial), six (6) hours (Intermediate Non-Remedial) and eight (8) hours (Remote Non-Remedial), when Incidents have resulted in a substantial impact on all automated Counter Positions in the Outlet (Priority 'A' HSH Call);
- 95% fixed within eight (8) hours (Local Non-Remedial), ten (10) hours (Intermediate Non-Remedial) and twelve (12) hours (Remote Non-Remedial) when Incidents have resulted in a substantial impact on an automated Counter Position, but not all automated Counter Positions, in the Outlet (Priority 'B' HSH Call)

- 4.2.3 Downtime is defined as starting once the Incident is reported to the Help Desk. For the purposes of time to repair only time within the POCL Core Day is counted.



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4.2.4 More than fifty (50)% of maintenance and repair visits shall be completed within twenty (20) minutes of arrival (S468)

**4.3. Horizon System Helpdesk Service**

The Contractor shall provide the Horizon System Helpdesk Service which shall act as the first point of contact for Customers of all POCL Services. Customers include POCL staff and staff of POCL Clients having a direct interface with the POCL Infrastructure provided.

**4.3.1. Hours of Service**

4.3.1.1. The Contractor shall provide a continuous Help Desk Service on each POCL Core Day.

4.3.1.2. A full Help Desk Service is required during the POCL Core Day. A skeleton Help Desk Service shall be provided between 05:00 and 08:00 and between 20:00 and 24:00, Monday to Saturday, and between 07:00 and 22:00 on Sundays.

4.3.1.3. Arrangements for Bank Holidays shall only vary from a normal POCL Working Day where agreed with POCL, having regard to their applicability throughout the United Kingdom. No POCL Help Desk Service shall be provided on Christmas Day.

4.3.1.4. The Contractor shall ensure that calls made to the Help Desk outside specified hours are accepted by Contractor. [R914]

**4.3.2. Service Targets**

4.3.2.1. The Contractor shall answer at least 80% of all calls to the Help Desk within twenty (twenty) seconds and at least 99.9% of calls within forty (40) seconds, during support hours, including skeleton hours.

4.3.2.2. The percentage of 'calls not answered' shall be less than 1%. This includes calls where the line is busy as well as calls answered but put on the 'waiting queue'. [R914]

4.3.2.3. The Contractor's Horizon System Helpdesk Service shall provide first, second and third level Services as described in Schedule G01. [R914]

4.3.2.4. The Contractor shall resolve at least 95% of calls assigned to first level within five (5) minutes. The Contractor will resolve 100% of calls assigned to first level within ten (10) minutes. [R914]



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- 4.3.2.5. The Contractor shall resolve at least 95% of calls assigned to second level within thirty (30) minutes. The Contractor shall resolve 100% of calls assigned to second level within forty-five (45) minutes. [R914]
- 4.3.2.6. The Contractor, given two (2) POCL Core Days notice, shall extend the level of Service to whatever is required. In emergency circumstances, the Contractor shall, given five (5) hours notice, provide a first and second level Service outside normal and extended working hours. [R914]
- 4.4 TMS Service Levels - transaction monitoring**
- 4.4.1. POCL are not concerned with the performance of individual elements of the POCL Infrastructure Services per se. The primary concern is with the overall performance of the Services as they impact upon POCL's own systems, Clients, staff, Agents and Customers. Therefore, targets for the level of internal performance between Services shall not be set by POCL. However internal Service performance shall be judged by POCL as it affects overall performance of the Services. [R869]
- 4.4.2. The Contractor shall specify the internal performance requirements of any Service that potentially may be re-tendered, by the Operational Trial Commencement Date. The Contractor shall maintain and report actual measured performance for TMS as it interfaces to other Services. [R869]
- 4.4.3. For the TMS the Contractor shall specify the performance requirements and tolerances by the Operational Trial Commencement Date: [R869]
- (a) hours of operation of TMS;
  - (b) response time required between TMS and OPS.
  - (c) the number of outages of TMS, identifying types of outages monitored;
  - (d) the availability of TMS.
- 4.4.4. The Contractor shall report against all performance requirements identified in section 4.4.3 above. [R869]
- 4.4.5. Any proposed changes to any interface specification to TMS shall be subject to approval by POCL in accordance with Change Control Procedures, with updates to the technical documentation being provided





within ten (10) POCL Core Days after the change has been implemented. [R869]

**4.5. Implementation - Service Level Agreements:  
Installation of Service Infrastructure**

**4.5.1. Site survey**

4.5.1.1. The Contractor shall achieve no less than 85% satisfaction rating for site quality surveys. [R945]

**4.5.2. Modifications**

4.5.2.1. The Contractor shall achieve no less than 85 % satisfaction rating for modifications in the quality survey described in Schedule G06. [R945]

4.5.2.2. 98% of repairs required to make good any damage caused to POCL Premises by the Contractor or its sub-contractors shall be carried out within their scheduled timescales. [R945]

**4.5.3.4. Installation**

4.5.3.1. The Contractor shall achieve no less than 85 % satisfaction rating for installation in the quality survey described in Schedule G06. [R945]

4.5.3.2. Excluding Site Surveys, Modifications, Training, Data Migration and factors outside Contractor's control, the median time for closure of a counter position for installation activities shall not exceed 45 minutes for all counters except those which have the ISDN connection, for which the median shall not exceed 75 minutes. Both parties will further review the installation process using reasonable endeavours to agree improvement processes to enable the time for the installation at individual counter positions to be reduced having regard to the security features as stated in the Security Functional Specification. [R502]

4.5.3.3. 98% of repairs required to make good any damage caused to POCL Premises by the Contractor or its sub-contractors shall be carried out within their scheduled timescales. [R945]



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**SCHEDULE G11- POCL CONTINGENCY SERVICES**

1.        The POCL Infrastructure Contingency Services shall be as specified in the contingency plans to satisfy Requirement 830 in Schedule A15.



**SCHEDULE H01- OBCS SERVICE DEFINITION****1. INTRODUCTION**

- 1.1. This Schedule details the Order Book Control Service (OBCS).
- 1.2. OBCS provides various functions mainly associated with the use of bar-coded order books in Outlets in Great Britain by Customers who are in receipt of various, typically long-term, benefits (e.g. Child Benefit and Retirement Pension). These functions centre around the receipt and use of notices which direct the Counter Clerk to impound an order book with or without payment. [FS4.1.6.1]
- 1.3. OBCS receives and processes stop list data received from computer systems operated by DSS. OBCS makes this information available to Outlets to:
  - a) check the order book status on receipt at the Outlet; [FS4.1.6.1]
  - b) check the order book status on issue to a Customer; [FS4.1.6.1]
  - c) record the redirection of an order book if it has been sent to the wrong Outlet; [FS4.1.6.1]
  - d) determine whether a payment should not be made or should be restricted in some form. [FS4.1.6.1]
- 1.4. OBCS accumulates the results of all OBCS transactions from each Outlet during the day, collates these transactions, and despatches them to the DSS systems. [FS4.1.6.1]
- 1.5. The Contractor shall provide OBCS in accordance with the Service Levels set out in Schedule H08.

**2. GENERAL CONSTRAINTS**

- 2.1. OBCS shall be available in nominated Outlets. [R898]
- 2.2. OBCS shall be available at every Counter Position in any automated Outlet at which OBCS is required during the normal opening hours of that Outlet. [R898 & S898]
- 2.3. OBCS shall be implemented using TMS and OPS, and shall be based upon the current ESNCS in use in ALPS post offices. [R898 & S898]



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- 2.4. OBCS shall record neither the receipt nor the issue of order books that do not have a bar-code. [OBCS BPR 3.1.8]
- 2.5. OBCS shall not record returns to DSS of order books that have not been collected by the Authorised Person. [OBCS BPR 3.3.2]
- 2.6. The implementation of OBCS shall comply with the POCL Style Guide. [R898 & S898]

**3. SERVICE BOUNDARY TRANSACTIONS****3.1. Interface to DSS***Data Made Available from DSS*

- 3.1.1. POCL shall procure that DSS shall make available from the ESNCS to OBCS the following, and the Contractor shall collect:

- a) Order book stops - amendments to the currently held list of order books that shall be stopped and impounded when they are presented at an Outlet; [R956]
- b) Order book recalls - ESNCS will provide to OBCS, and OBCS shall receive, amendments to the currently held list of order books which are to be recalled. OBCS shall calculate the recall date in accordance with the *OBCS Business Processing Rules*. A recalled order book shall be impounded upon presentation at an Outlet. [R956]
- c) Purge order book notification - a list of order books which OBCS may purge from its list of stops or recalls. If a corresponding stop or recall entry is absent, OBCS shall record an exception. OBCS shall not subsequently need to support any stop or recall action on such order books unless they are subsequently re-notified via either the stop or recall processes. [R956 & S956]
- d) Restate full list - a full list of all stops and recalls that are currently in force. This is an ad hoc transaction which requires agreement of the parties (such agreement not to be unreasonably withheld or delayed) before it can be initiated. [R956]

- 3.1.2. POCL shall procure that DSS shall make available OBCS stop list data (as set out in 3.1.1. a), b), and c)) to the Contractor by 03:00. [B03 5.1.4.1]





**Data Made Available to DSS Systems**

3.1.3. The Contractor shall acknowledge receipt of order book stops, recalls, purges, and full restatement files. The Contractor shall notify any exceptions from order book stop, recall, purge, or full restatement file processing. [S956]

3.1.4. OBCS shall notify the DSS ESNCS of the following:

(a) outcome of order book receipts at an Outlet, each of which shall be one of: [R956]

i. the order book is acceptable (due to the absence of an order book stop notice or an order book recall notice);

ii. the order book is immediately impounded (due to a stop notice or recall rules being applied);

iii. the order book bar-code is found to be unreadable (and is to be sent by the Outlet to a DSS office).

(b) outcome of order book redirections, each of which shall be one of: [R956]

i. the order book is redirected;

ii. the order book is immediately impounded (due to a stop notice or recall rules being applied);

iii. the order book bar-code is found to be unreadable and is to be sent to a DSS office.

(c) outcome of order book issues to Customers, each of which shall be one of: [R956]

i. the order book is issued successfully (due to the absence of an order book stop notice or an order book recall notice);

ii. the order book is immediately impounded (due to a stop notice or recall rules being applied);

iii. the order book bar-code is found to be unreadable and is to be sent to a DSS office.

(d) outcome of order book foil encashments, each of which shall be one of: [R956]

i. the encashment is successful (due to the absence of an order book stop notice or an order book recall notice) and the number of foils encashed and their total value are reported;



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- ii. no encashment is made and the order book is immediately impounded (due to a stop notice);
  - iii. one or more foils are encashed, the number of foils encashed and their total value are reported, and the order book impounded (due to the recall rules being applied);
  - iv. one foil is encashed, its value is reported, and the order book is impounded due to the order book bar-code being unreadable.
- 3.1.5. OBCS shall also transmit to the DSS ESNCS an Outlet summary transaction daily for each Outlet of: [R956]
- (a) the total number of non bar-coded order books presented at that Outlet; [R956]
  - (b) the total number of order books impounded without any encashments due to the bar-code being invalid; [R956]
  - (c) the total number of foils encashed. [R901]
- 3.1.6. The Contractor shall make available Data Files to ESNCS by a specified time. This time shall be agreed between the parties and shall not normally be before 03:00 on the day following the completion of the transaction. [B03 5.1.5.1 and OBCS HLD 5.1.1]
- 3.1.7. The proportion of transaction records delivered to ESNCS in the first and subsequent Data File transmissions (i.e. transactions on day A, delivery to ESNCS by the agreed time on day B, day C, day D) shall be measured by the Contractor. [B03 5.1.5.2]
- 3.2. Stop List Maintenance**
- 3.2.1. The Contractor shall maintain a national stop list recording details of order books which have been stopped, and against which no further payments are to be made, and order books which have been recalled. In the case of recalled order books, orders may be paid for a number of days following receipt of the recall; the last allowable order date shall be calculated within OBCS according to the rules specified in "OBCS Business Process Rules". [R899 & S899 and OBCS BPR 2.5]
- 3.2.2. The maximum size of the national stop list shall be 1.5 million entries. [R899 & S899]
- 3.2.3. The Contractor shall initiate a communications link between the ESNCS and the TMS 7 nights each week and shall transfer a Data File containing stop list updates. The stop list updates shall include entries that are to



be added and reference to those that are to be deleted. Notices not so deleted shall be removed after an appropriate period as defined in the OBCS Business Process Rules. [R899 and OBCS BPR 2.6]

- 3.2.4. Stop list update files shall be applied in the order defined in the stop list interface document. The maximum size of a stop list update shall normally be 100,000 entries. In the event that an update of greater size is needed special arrangements shall be made. The minimum size of a stop list update shall be 0 (zero) entries; in this case a null content file with appropriate header and footer records shall be sent. [R899 & S899]

### 3.3. Processing of Bar-Coded Order Books

#### *General*

- 3.3.1. OBCS shall provide a facility for dealing with bar-coded order books presented for encashment of benefits at automated Outlets requiring OBCS. [R900]
- 3.3.2. Whenever the bar-code on an order book is scanned OBCS shall provide both a visual and an audible indication of the result of the scan based upon the absence or presence of a stop list entry. There shall be a clear difference between the audible indication given for 'success or normal' and 'failure or exception'. There shall be a clear distinction between the instructions to 'impound' and 'cash and impound'. [R900 & S900]

#### *Re-direction of Order Book*

- 3.3.3. If the Counter Clerk determines that the order book has been sent to the wrong Outlet, OBCS shall be capable of recording the fact that the order book has been redirected. [R900]

#### *Receipt of Order Book at Outlet*

- 3.3.4. When an order book is received at the Outlet from DSS, OBCS shall prompt the Counter Clerk to scan the bar-code, and OBCS shall check it against the stop list. In addition to the order book being valid, and ready for collection by the Authorised Person, the other possible outcomes are: [R900 & S900]
- a) the order book is on the stop list, either as a stop or a recall, in which case OBCS shall instruct the Counter Clerk to impound, hole punch the order book, and return it to DSS; [R900]





b)there are three consecutive failures to read the bar-code, in which case OBCS shall prompt the Counter Clerk to enter the bar-code information via the keyboard. Subsequently OBCS shall instruct the Counter Clerk to hole punch the order book and return it to DSS. OBCS shall record the order book as unreadable; [R900]

c)the bar-code is invalid, in which case OBCS shall prompt the Counter Clerk to impound the order book, hole punch it, and return it to DSS. OBCS shall record the order book as invalid; [FS4.1.6.2.3.1.1 (2)]

#### ***Issue of Order Book to an Authorised Person***

3.3.5. When an order book is being issued to the Authorised Person, OBCS shall prompt the Counter Clerk to scan the bar-code and OBCS shall check it against the stop list. In addition to the order book being issued, the other possible outcomes are those listed in paragraph 3.3.3 a) to c). [R900 & S900]

#### ***Encashment***

3.3.6. When a Customer presents an order book for encashment of one or more foils, OBCS shall prompt the Counter Clerk to scan the bar-code and OBCS shall check it against the local Customer reference number file and, if matched, the local stop list. If an entry is found in the local stop list, then the order book is invalid and payment cannot proceed. [R900 & S900]

3.3.7. If no match is found against the local Customer reference file, OBCS shall check the order book against the national stop list. If an entry is found the order book is invalid and the payment cannot proceed. If an entry is found on the stop list then the relevant action is taken. [S900]

a)If the order book is found not to be invalid, OBCS shall instruct the Counter Clerk to pay normally and prompt for the number of foils encashed. A default number of one shall be presented with the Counter Clerk having the ability to override this. [R900]

b)If the order book has been stopped, OBCS shall instruct the Counter Clerk to make no payment and impound the order book, hole punch it, and return it to DSS. The Counter Clerk shall not be allowed to void or otherwise cancel such a transaction. [R900]



- c) If the order book has been recalled, OBCS shall instruct the Counter Clerk to pay up to a specified date and prompt for the number of foils encashed. A default number of one shall be presented with the Counter Clerk having the ability to override this with a valid number, including zero. OBCS shall instruct the Counter Clerk to retain the order book, hole punch it, and return it to DSS. [R900]
- d) If there are three consecutive failures to read the bar-code, OBCS shall prompt the Counter Clerk to enter the bar-code information via the keyboard. If the order book is on the stop list for impounding then this takes precedence, otherwise OBCS shall instruct the Counter Clerk to pay one foil, hole punch the order book, and return it to DSS. OBCS shall record the order book as unreadable. The Counter Clerk shall not be allowed to void or otherwise cancel such a transaction. [R900]
- e) When OBCS identifies a bar-code as not conforming with the specification contained in "OBCS Business Process Rules", OBCS shall instruct the Counter Clerk to impound the order book without payment. The transaction shall be recorded by OBCS. This transaction shall be recorded in the summary of non-bar-coded order books. [R900 and OBCS BPR 2.2]

#### 3.4. Processing of Order Books without Bar-codes

- 3.4.1. When an order book with no bar-code is presented for encashment OBCS shall prompt the Counter Clerk to enter the number of foils to be encashed. A default number of one shall be presented with the Counter Clerk having the ability to override this. [R901]

#### 3.5. Transaction Reporting

- 3.5.1. The Contractor shall provide arrangements for recording and reporting order book receipt, redirection, return, and issue in Outlets. These shall be reported as EPOSS zero value transactions. [R960 & S960]

#### 4. SYSTEM AND SERVICE RESPONSIBILITY

- 4.1. The Contractor shall provide all networks, Hardware, Software, procedures and training required to connect and deliver POCL Services to the nominated DSS platforms. The Contractor shall provide such connection(s) at sites nominated by POCL for DSS and which may change over time. [R956]



**5. FALLBACK AND RECOVERY****5.1. OBCS Encashment Transactions*****Bar-code failure***

- 5.1.1. If the bar-code reader fails to read the bar-code on the order book three times in succession, the Counter Clerk shall test the bar-code reader with a test pattern. If the bar-code reader is working properly, then the Counter Clerk shall impound the order book .

***Bar-code reader failure***

- 5.1.2. If the Counter Clerk knows that the bar-code reader is faulty, the Counter Clerk does not swipe the bar-code, but keys the bar-code number direct. (In multi-Counter Position Outlets, where practical, the Counter Clerk shall direct Customers to another Counter Position and fallback procedures need not be invoked.)

***PC failure***

- 5.1.3. If the PC, monitor, or keyboard fail, in order to check the order book against the stop list, the Counter Clerk may telephone the Horizon System Helpdesk. (In multi-Counter Position Outlets, where practical, the Counter Clerk shall direct Customers to another Counter Position and fallback procedures need not be invoked.)

***ISDN / Gateway PC failure***

- 5.1.4. If the ISDN / Gateway PC fails, this only affects recent stop notifications and those encashments where the Beneficiary has not used the Outlet before. No fallback procedures shall be invoked for recent stop notifications due to the small numbers involved. The POCL Service shall identify where the Beneficiary has not used the Outlet before and, if this is the case, the Counter Clerk may telephone the Horizon System Helpdesk in order to check the order book against the stop list.

***OBCS order book receipt***

- 5.1.5. The transaction for checking order books on arrival at the Outlet shall not normally be undertaken whilst the Outlet is in fallback mode. Instead, the Outlet shall wait until normal operations are resumed before checking order books. However, should a Customer arrive to collect an order book which has not been checked, then a call shall be made to the Horizon System Helpdesk to ensure the order book is not on the stop list. It is



estimated that this shall result in an additional 90 seconds to the existing manual procedure.

**6. MANAGEMENT INFORMATION**

- 6.1. The Contractor shall provide management information with reference to service performance in accordance with Schedule H08.

**7. SUPPORT SERVICES**

**7.1. OBCS Help Desk**

- 7.1.1. The Contractor shall provide an OBCS support facility through the Horizon System Helpdesk. The OBCS support shall be available for use by all Users of OBCS, as soon as OBCS is made available to them. [R898]

**7.2. Training And User Manuals**

- 7.2.1. The Contractor shall develop and maintain PPDs required for the operation of OBCS.
- 7.2.2. The detailed training specifications shall be defined in "Pathway's Training and User Awareness Baseline Document".





**SCHEDULE H02- OBCS ACCEPTANCE CRITERIA**

1. Subject to Clause 201.6, the OBCS shall meet the following Acceptance Criteria, namely that OBCS shall be as specified in Schedule H01 and interwork with the POCL Infrastructure Services specified in Schedule G01, ensuring that:
  - (a) data shall be received, stored, captured and sent in a secure manner, timeously and without corruption; and
  - (b) OBCS shall be secured against fraudulent attack as far as the Codified Agreement requires; and
  - (c) OBCS has the contingency arrangements specified in Schedules H01 and H09 and that all contingency arrangements can be implemented successfully; and
  - (d) OBCS meets the maximum Contracted Transaction Times specified in Schedule H08 and the Minimum Acceptable Thresholds specified in Schedule H08.



## SCHEDULE H03 - OBES POCL RESPONSIBILITIES

## 1. INTRODUCTION

- 1.1. This Schedule specifies the actions and responsibilities that POCL shall fulfil in order to enable the Contractor to meet its obligations under Schedule H01 and related Schedules.
- 1.2. The table under paragraph 2 below matches the paragraphs in Schedule H01 to the POCL Responsibilities that are set out in Schedule A16 of the Codified Agreement.
- 1.3. For the avoidance of doubt the omission of relevant POCL Responsibilities from paragraph 2 below shall not relieve POCL from any such relevant POCL Responsibilities as are expressed in Schedule A16 of the Codified Agreement.

## 2. POCL RESPONSIBILITIES

Paragraph reference	Responsibility
2.1, 2.2, 2.3, 2.6, 7.1.1	898
3.1.1(a), (b), (c), (d), 3.1.3, 3.1.4(a), (b), (c), (d), 3.1.5(a), (b) 4.1	956
3.1.5(c), 3.4.1	901
3.2.1, 3.2.2, 3.2.3, 3.2.4	899
3.3.1, 3.3.2, 3.3.3, 3.3.4, 3.3.4(a), (b), 3.3.5, 3.3.6, 3.3.7, 3.3.7(a), (b), (c), (d), (e)	900
3.5.1	960



**SCHEDULE H04 - OBCS ROLL-OUT AND IMPLEMENTATION**

1. The roll out and implementation of OBCS shall be coincident with the roll out and implementation of the POCL Service Infrastructure as defined in Schedule G06, except that Outlets in Northern Ireland shall be prevented from using OBCS.





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**SCHEDULE H05 - OBCS SERVICE MANAGEMENT****1. OBJECTIVES OF SERVICE MANAGEMENT**

- 1.1. The objectives of the management of the OBCS are to monitor and manage the delivery of the OBCS, and to report on the same to the Contract Steering Group defined in Schedule A04.
- 1.2. The sections below detail (without limitation) the specific objectives of key activities that will be undertaken. The significance of the detailed tasks may vary over the life of this Codified Agreement.

**2. ORGANISATION****2.1. General**

- 2.1.1. The Contractor and POCL shall establish an organisational structure to manage the delivery of the OBCS in accordance with Schedule H01 and all other applicable provisions hereof. The key roles within this organisation are identified in sections 3 and 4 below.
- 2.1.2. Any changes to the organisation defined in this Schedule shall be made in accordance with Clause 101.2.
- 2.1.3. The specific individuals to fulfil the roles identified in the organisation shall be communicated in writing between the parties to this Codified Agreement.

**3. CONTRACTOR ROLES KEY TO THE DELIVERY OF THE SERVICE****3.1. Introduction**

- 3.1.1. The roles and responsibilities within the Contractor's organisation specific to the delivery of the OBCS are detailed below. One person may perform more than one of these roles.

**3.2. Operational Service Manager**

- 3.2.1. The Operational Service Manager shall be responsible for building a strategic relationship at the appropriate level in POCL with an emphasis on operational requirements of this Service. The Operational Service Manager shall attend the quarterly Service Review Meeting (see paragraph 6.2).



### 3.3. Service Manager

3.3.1. The Service Manager shall be responsible for the overall delivery of OBCS to POCL. The Service Manager shall specifically be responsible for:

- a) the maintenance of Service Levels in accordance with Schedule H08;
- b) the provision of monthly Service Management Reports as described below in paragraph 6.1.2;
- c) briefing the Contractor's attendees at the Contract Steering Group meetings as described in Schedule A04;
- d) briefing the Operational Service Manager in advance of the quarterly Service review meetings;
- e) facilitating joint quality initiatives with POCL.

### 3.4. The Service Help Desk Manager

3.4.1. The Horizon System Helpdesk manager for this Service shall be responsible for the management of POCL problems and enquiries.

## 4. POCL ROLES KEY TO THE DELIVERY OF THE SERVICE

### 4.1. Introduction

4.1.1. The roles and responsibilities of POCL specific to Service management are detailed below. One person may perform more than one of these roles.

### 4.2. Business manager

4.2.1. The POCL Business Manager is the individual responsible for the business which the Service supports. The Business Manager shall attend the quarterly Service Review Meeting.

### 4.3. POCL Liaison Manager

4.3.1. The POCL Liaison Manager is responsible for the day-to-day liaison with the Contractor. The POCL Liaison Manager provides the first point of contact with the Contractor. This manager shall specifically be responsible for:



- (a) monitoring delivered Service Levels;
- (b) receipt and analysis of the Contractor's monthly Service Management Reports;
- (c) briefing the POCL Business Manager in advance of the Service Review Meetings;
- (d) briefing the POCL attendees at the Contract Steering Group meetings as described in Schedule A04;
- (e) facilitating joint quality initiatives with the Contractor.

#### 4.4. Key Personnel

- 4.4.1. The specific individuals who fulfil the roles defined for POCL shall be notified to the Contractor in writing in advance of their taking up the post.

### 5. ESCALATION PROCEDURES

- 5.1. The Contractor and POCL shall operate escalation procedures for issues affecting the OBCS in accordance with the provisions of Schedule A04 of the Codified Agreement.

### 6. MONITORING

#### 6.1. Service Reporting

- 6.1.1. The Contractor shall provide POCL with monthly Service Management Reports, which shall be produced within five (5) working days of the calendar month end, unless agreed otherwise. The Service Management Reports shall allow POCL to monitor the Contractor's Service provision and achievement of the Service Levels.

- 6.1.2. Service Management Reports shall include but are not restricted to the following attributes:

- (a) availability of service;
- (b) service breaks/service failures;
- (c) planned maintenance breaks;
- (d) Service delivery changes; and
- (e) Incidents resolved and outstanding;



(f) and data to support Schedule H08.

6.1.3. The Contractor shall provide POCL with access to the raw data used to generate Service Management Reports when requested to allow POCL to generate POCL internal reports.

## 6.2. Service Review Meetings

6.2.1. The POCL Business Manager and the Contractor's Operational Service Manager shall meet every three months (or as otherwise agreed by the POCL Business Manager and the Contractor's Operational Service Manager) to review Service Levels, Incidents and problems reported in the previous period.

6.2.2. In addition POCL shall advise the Contractor of its requirements for implementation of the Service at new Outlets.

6.2.3. Other Contractor staff and POCL staff may attend these meetings at the request of either the Contractor or POCL to resolve particular matters on the agenda.

6.2.4. A typical agenda for such a meeting may include, without limitation:

- (a) Service Management Reports;
- (b) highlights of previous period's Service statistics, concentrating on failures to meet required Service Levels, including major Incidents reported, Service trends and Service achievements;
- (c) explanation of unresolved Incidents and, in particular, any matters still outstanding;
- (d) review of the on-going actions, such as fault correction, agreed Service changes and any POCL related work;
- (e) change management progress Report;
- (f) suggestions for improvements to Service;
- (g) advance notification of major changes and new work, and review of the impact these may have on Service requirements;
- (h) any implementation requirements.





- 6.2.5. The Contractor shall prepare the necessary Reports for discussion at these meetings.
- 6.2.6. POCL shall keep a record of these meetings and shall distribute the record to the Contractor and to the POCL Contract Manager for review at the Contract Steering Group Meeting (see Schedule A04).
- 6.2.7. The Service Review Meeting shall normally take place at least five (5) days after the delivery date of each third monthly Service Management Report provided by the Contractor to POCL.



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SCHEDULE H06- OBCS SERVICE TRANSFER

This schedule is not used and is intentionally blank.



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## SCHEDULE H08- OBCS SERVICE LEVELS AND REMEDIES

## 1. PURPOSE

- 1.1. This Schedule specifies the Service Levels for OBCS.

## 2. AVAILABILITY

- 2.1. The Contractor shall provide the OBCS at all Outlets at which OBCS is required during the normal working hours of those Outlets. [R898 & S898 & CCN47A]

## 3. TRANSACTION TIMES

- 3.1. The maximum Contracted Transaction Times (including manual, OBCS, and EPOSS components), to include an element to cover expected levels of Transactions done in fallback are as follows:

Transaction types (OBCS)	Maximum Contracted Transaction Times (seconds)
OBCS Issues (Local)	39.00
OBCS Issues (Foreign)	42.50
OBCS Encashment (Local)	26.94
OBCS Encashment (Foreign)	28.10

Note \*: Such time for order book checking shall be confined to computer and manual operations associated with operating the HCI.

- 3.2. The mean time for OBCS Encashments in any Reporting Period is expected to be 27.01 seconds and may vary if the actual mix achieved is different to that expected.

- 3.3. The definitions of local versus non local Transaction types are as set out in the following table:



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TRANSACTION	DESCRIPTION	FUNCTION
OBCS book receipt	Record location of book and check for stop notice at the time an order book is received at an Outlet, by reading a bar code on the order book and comparing it to the DSS stop list.	OBCS
OBCS book issue	A further check for stop notice at time of issue to Customer.	OBCS
OBCS book redirection	Recording redirection of a book delivered to the wrong Outlet.	OBCS
Pay benefit following OBCS check - local Transaction	Payment made (or denied for reason of a stop) at the Outlet at which the book was issued or one at which the Customer has previously encashed a payment from that book. Service also includes the recording of instances of payment against non-bar-coded books (e.g. War Pensions).	OBCS
Pay benefit following OBCS check - non-local Transaction	Payment made (or denied for reason of a stop) at an Outlet other than that at which the book was issued or at which the Customer has previously encashed a payment from that book.	OBCS

- 3.4. The automated OBCS components to be measured on an actuals basis shall be determined by reference to the CCD entitled "Counter Transaction Performance Measurement and Benchmarking". Target times shall be agreed between POCL and the Contractor prior to the Operational Trial Acceptance Date and shall be recorded in the CCD entitled "OBCS Benchmark Counter Transaction Times" against the OBCS Transaction Types shown in the table in paragraph 3.1 above. Target times for future releases shall be agreed prior to release authorisation and the OBCS Benchmark Counter Transaction Times document will be updated.
- 3.5. When issuing an order book, the checking against the stop list using OBCS shall not add more than five (5) seconds to the time that would have been taken with no manual stop list check. [R902]. Such time increment shall be confined to computer and manual operations associated with operating the HCI.



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SCHEDULE H08

RESTRICTED CONTRACTS

4. SERVICE LEVELS

Service Requirement (and reference to Requirement Schedule)	Reporting Period	Service Level Threshold	
		Minimum Acceptable	Termination Review
1. Data Made Available to DSS systems	Quarterly	<p>97% of all Transaction records to be delivered by day B;</p> <p>99% of all Transaction records to be delivered by day C;</p> <p>100% of all Transaction records to be delivered by day D.</p>	98% of all Transaction records to be delivered by day D.
2. Stop list maintenance	Quarterly	<p>The fully updated version is available at the start of the POCL Core Day for 97% of automated Counter Positions providing or intended to provide OBCS; and</p> <p>The fully updated version is available, on the day following delivery, at the start of the POCL Core Day for 99% of automated Counter Positions providing or intended to provide OBCS; and</p> <p>the fully updated version</p>	<p>The fully updated version is available, on the second day following delivery, at the start of the POCL Core Day for 98% of automated Counter Positions providing or intended to provide OBCS.</p>



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SCHEDULE H08

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Service Requirement (and reference to Requirement Schedule)	Reporting Period	Service Level Threshold	
		Minimum Acceptable	Termination Review
		is available, on the second day following delivery, at the start of the POCL Core Day for 100% of automated Counter Positions providing or intended to provide OBCS.	
3. OBCS Transaction Times	Monthly	All OBCS Transactions operate within the OBCS Transaction times in the table under 3.1 of this Schedule.	The overall average Transaction time is more than half a second greater than the OBCS Transaction times in the table under 3.1 of this Schedule.





## 5. REMEDIES

## 5.1. Liquidated Damages

*Transaction Times*

5.1.1. The liquidated damages payable by the Contractor shall be based on a series of measurements over the reporting period, accumulated over a range of Services. This Schedule specifies the contribution made by OBCS, while the formulae for calculating the value of the liquidated damages and the effects of the accumulation of effects over the range of Services is described in Schedule B10.

5.1.2. The following variables shall be recorded and used in calculating the remedies:

(a) T(OBCS): the total number of OBCS Transactions in the Service Level Measurement Period;

(b) C(OBCS): the total accumulated difference between the actual measured variable system components and the agreed benchmarked variable system components in the CCD entitled "OBCS Benchmark Counter Transaction Times" against the OBCS Transaction Types shown in the table in paragraph 3. 1 plus the total accumulated difference between the agreed benchmarked total transaction times and the maximum total transaction times.

5.1.3. In calculating the value for C(OBCS) above, OBCS encashment Transactions which take place in fallback mode (and therefore cannot be accurately accounted for in Service measurements) shall be considered to have taken a synthesised time.

5.1.4. The following Fallback scenarios have been identified by the Contractor:

(a) Bar code failure

The Service fails to read the bar code on the order book. Assumes Counter Clerk shall swipe the bar code three times and then test the bar code reader with a test pattern. Should the bar code reader be working, then the order book shall be impounded. The Contractor shall distinguish between Bar code failure and bar code reader failure.

(b) Bar code reader failure

Assumes Counter Clerk knows bar code reader is faulty and therefore does not swipe bar code



before keying bar code number. In multi-Counter Position Outlets, where practical, Customers shall be directed to another Counter Position and fallback procedures need not be invoked. The Contractor shall distinguish between Bar code failure and bar code reader failure.

(c) PC failure

This may be due to either the PC, monitor or keyboard failing. In order to check the order book against the stop list, it shall be necessary for the Counter Clerk to telephone the POCL Systems Help Desk. In multi-Counter Position Outlets, where practical, Customers shall be directed to another Counter Position and fallback procedures need not be invoked.

(d) ISDN / Gateway PC failure

Such failures shall only affect Foreign Encashments and recent stop notifications. The Service shall identify Foreign Encashments and, in order to check the order book against the stop list, it shall be necessary for the Counter Clerk to telephone the POCL Systems Help Desk. No fallback procedures shall be invoked for recent stop notifications due to the small numbers involved.

5.1.5. The following table identifies the synthesised times for a range of fallback scenarios. These times shall be validated as part of the Operational Trial, and adjusted by agreement between the parties. The difference between the synthesised times and the appropriate Contracted Transaction Time shall be added to C(OBCS). The Contractor shall report to POCL occurrences of each scenario. The synthesised times for the fallback scenarios are:

	Fallback reason	OBCS Issues (Local)	OBCS Issues (Foreign)	OBCS Encashments (Local)	OBCS Encashments (Foreign)
1	Bar-code failure				
2	Bar-code reader failure				
3	PC failure				
4	ISDN / Gateway failure				

5.1.6. The liquidated damages for excess time are calculated, based on the all Outlet figures of  $T_1$  and  $C_1$  as described in Schedule B10.



- 5.1.7. In the event that the actual level of Service falls below the Termination Review Threshold for any two(2) consecutive months then POCL may terminate the Codified Agreement in accordance with Clause 902.2 of the Codified Agreement. For the avoidance of doubt this right of termination is in addition to the general rights of termination specified in paragraphs 4.4 and 4.5 of Schedule A06.

*OBCS Stop List Data*

- 5.1.8 . The liquidated damages due to late provision of stop list data at the Counter Positions providing or intended to provide OBCS are calculated as follows:

Liquidated damages =

$((100 - \text{actual level of service by Day D}) / 100 * \text{total number of Transactions} * 1.0 \text{ pence}) +$

$((99 - \text{actual level of Service by Day C}) / 100 * \text{total number of Transactions} - \text{any also failing at Day D}) * 1.0 \text{ pence}) +$

$((97 - \text{actual level of Service by Day B}) / 100 * \text{total number of Transactions} - \text{any also failing at Day D} + \text{Day C}) * 1.0 \text{ pence}) +$

$((97 - \text{actual level of Service by Day B}) / 100 * \text{total number of Transactions} - \text{any also failing at Day D} + \text{Day C}) * 1.0 \text{ pence}) +$

$((97 - \text{actual level of Service by Day B}) / 100 * \text{total number of Transactions} - \text{any also failing at Day D} + \text{Day C}) * 1.0 \text{ pence}) +$

The actual level of service is measured up to the point in time the stop list data is loaded on to the OBCS host and hence available to the Counter Positions providing or intended to provide OBCS.

*Data File Delivery*

- 5.1.9 . The liquidated damages due to late provision of Data Files to the ESNCS are calculated as follows:

Liquidated damages =

$((100 - \text{actual level of Service by day D}) / 100) * \text{total number of Transactions} * 1.0 \text{ pence}) +$

$((99 - \text{actual level of Service by day C}) / 100) * \text{total number of Transactions} - \text{any also failing at day D}) * 1.0 \text{ pence}) +$

$((97 - \text{actual level of Service by day B}) / 100) * \text{total number of Transactions} - \text{any also failing at day D and day C}) * 1.0 \text{ pence}).$





CODIFIED AGREEMENT

SCHEDULE H09

RESTRICTED CONTRACTS

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**SCHEDULE H09- POCL CONTINGENCY SERVICES**

1. The OBCS Contingency Services shall be as specified in the contingency plans to satisfy Requirement 830 in Schedule A15.



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SCHEDULE K01- LFS SERVICE DEFINITION

## 1. INTRODUCTION

- 1.1. This Schedule details the Logistics Feeder Service (LFS) which the Contractor shall provide.
- 1.2. The Contractor shall provide the LFS Outlet Service described in paragraph 3. at all Outlets.
- 1.3. LFS shall capture data from Outlets for onward transmission to SAPADS. Such data shall be cash and Stock Declarations, Outward Remittances including confirmation of SAPADS Pouch collection and confirmation of SAPADS Pouch receipt at the Outlet.
- 1.4. LFS shall transmit Planned Orders and Advice Notices, created by SAPADS, to Outlets.
- 1.5. LFS shall be provided in accordance with the Service Levels in Schedule K08.

## 2. GENERAL CONSTRAINTS

- 2.1. The Contractor shall provide LFS solely through the medium of the POCL Service Infrastructure. LFS functionality at Outlets shall be based upon EPOSS facilities which shall be used to generate Cash On Hand Statements, Cash On Hand Declarations, Stamps on Hand Declarations, Stock on Hand Declarations and Remittance Out Records. [BRD 1.12 sub para 6]
- 2.2. LFS data, for onward transmission to Outlets, shall only be accepted from SAPADS.
- 2.3. All Transactions and Events undertaken in LFS shall be recorded in an audit trail by use of, and maintained by, the POCL Infrastructure Services.
- 2.4. LFS shall capture and declare Inventory Item and cash levels present within an Outlet at item or sub-item as determined by Reference Data.
- 2.5. The frequency of data capture shall be constrained to that recorded by EPOSS to support POCL's business rules. [BRD 3.3.4 sub para 1 & 2, 3.3.3.5 sub para 3]
- 2.6. Access to the LFS in an Outlet shall be limited to authorised Users. The access restriction shall be achieved by use of the standard POCL Infrastructure



Service facilities, associating access permission to a username to levels defined in the Access Control Policy. [BRD 3.2.1]

**Use of Reference Data**

2.7. LFS shall allow variations to the following limits and characteristics to be made by parameter defined by Reference Data [BRD 3.1.5]:

- (a) Inventory Items traded at each Outlet (this provides the basis of controlling Stock movements for that Outlet); (BRD 3.1.5 sub para 4)
- (b) units in which Inventory Items and cash are recorded and reported upon. (BRD 3.1.4 sub para 1)

**3. OUTLET SERVICE**

(Derived from Workshops)

**3.1. Daily Outlet Cash Level Reporting**

3.1.1. Once a day LFS shall capture from EPOSS details, by denomination, of cash held at the Outlet.

3.1.2. The details which LFS captures shall be derived from the EPOSS screens which create:

- a) Stock Unit Cash On Hand Statements from the daily "State Cash On Hand" facility; and
- b) Stock Unit Cash on Hand Declarations from the weekly "Declare Cash On Hand" facility, where the weekly declaration has been made on rolled-over Stock Units.

3.1.3. When the Outlet completes the end of day process, that is close of business plus thirty (30) minutes or 19:00 whichever is earlier, LFS shall total the Stock Unit Cash On Hand Statements created in the Outlet.

3.1.4. The total shall include the latest Cash on Hand Statements for each Stock Unit, which contribute to the total holding of each Stock Unit, during that business day and any Cash on Hand Statements for dormant Stock Units which have not been previously included in a total for the Outlet.



3.1.5. The total shall be a combination of Cash On Hand Statements and Cash On Hand Declarations which ever is the latest for each Stock Unit for that day.

3.1.6. If a Stock Unit has been used during the day but has not completed a Cash on Hand Statement by the time stated in paragraph 3.1.3., then LFS shall record a nil entry for the Outlet.

### 3.2. Weekly Outlet Cash Level Reporting

3.2.1. Once a week LFS shall capture from EPOSS details, by denomination, of cash held at the Outlet.

3.2.2. The details which LFS captures shall be derived from the EPOSS screens which support the weekly "Declare Cash On Hand" facility.

3.2.3. Each Wednesday, LFS shall total the Stock Unit Cash On Hand Declarations created in the Outlet.

3.2.4. The total shall include the latest weekly Cash on Hand Declaration for each Stock Unit during that week and the latest Cash on Hand Declarations for dormant Stock Units which have not been previously included in a total for the Outlet.

3.2.5. If a Stock Unit has been used during the week but has not completed a Cash on Hand Declaration by the time specified in Schedule K08, then LFS shall record a nil entry for the Outlet.

### 3.3. Weekly Outlet Stock Level Reporting

#### *Stamp Reporting*

3.3.1. Once a week LFS shall capture from EPOSS details, by denomination, of stamps held at the Outlet.

3.3.2. The details which LFS captures shall be derived from the EPOSS screens which support the weekly "Declare Stamps On Hand" facility.

3.3.3. When the Outlet completes the Office Rollover to the next Cash Account Period, LFS shall total the Stock Unit Stamps On Hand Declarations created in the Outlet

3.3.4. The total shall include the latest weekly Stamps on Hand Declaration for each Stock Unit during that week and any Stamps on Hand Declarations for dormant Stock Units





which have not been previously included in a total for the Outlet.

#### *Stock Reporting*

- 3.3.5. On a weekly basis LFS shall capture from EPOSS the level of stock held at the Outlet for each Inventory Item (with the exception of Stamps) which can be traded at the Outlet. [Ext - JB] Zero holdings for Inventory Items are not recorded in EPOSS and are therefore not captured by LFS. [BRD 3.3.3.5 sub para 9]
- 3.3.6. The details which LFS captures shall be derived from the opening balances for each Inventory Item. The opening balance shall be calculated in line with the Office Rollover process.
- 3.3.7. For dormant Stock Units in an Outlet, the previously declared stock levels shall be included in accordance with the Office Rollover process.

#### **3.4. Outlet Stock Replenishment**

##### *Receiving, Viewing and Printing Planned Orders*

- 3.4.1. LFS shall enable an authorised User to select a menu option to view SAPADS Planned Orders. [BRD 3.2.2 sub para 1]
- 3.4.2. Details of each SAPADS Planned Order held by LFS for an authorised User's Outlet shall be displayed in summary form. LFS shall enable the authorised User to select a SAPADS Planned Order and view that SAPADS Planned Order in more detail. [BRD 3.3.3.2 sub para 3]
- 3.4.3. Once a SAPADS Planned Order has been read by the authorised User it shall be marked as read but shall still be available for subsequent viewing until such time as it is deleted in accordance with paragraph 3.4.5. [BRD 3.3.3.2 sub para 7]
- 3.4.4. The LFS shall provide an authorised User with the option to print any SAPADS Planned Orders, held by LFS for the authorised User's Outlet, using the Outlet printer. [BRD 3.3.3.2 sub para 7]
- 3.4.5. A SAPADS Planned Order shall be automatically deleted from all operational databases ten (10) days following receipt by the Contractor. [BRD 3.3.3.2 sub para 8]



**Receipt of Pouch at an Outlet**

- 3.4.6. LFS shall support the ability to verify that a carrier has delivered one or more SAPADS Pouches and that these SAPADS Pouches have been received by an Outlet. [BRD 3.2.3]
- 3.4.7. LFS shall enable an authorised User to record receipt of SAPADS Pouches at an Outlet. The identity of SAPADS Pouches shall be recorded by means of scanning the bar codes on the SAPADS Pouches with the bar code reader. [BRD 3.1.2 sub para 1 & 2, 3.2.3 sub para 1]
- 3.4.8. LFS shall enable an authorised User to confirm that the SAPADS Pouch receipt procedure has been completed.
- 3.4.9. Following completion of the SAPADS Pouch receipt procedure LFS shall produce two (2) identical tally roll receipts which shall include the following details:
- a) SAPADS Pouch identifiers, i.e. barcode details;
  - b) date and time barcode scanned;
  - c) authorised User;
  - d) Outlet FAD code
  - e) space for signature. [BRD 3.3.3.3 sub para 2]
- 3.4.10. LFS shall record the date and time of the completion of this procedure and shall pass the details to SAPADS. [BRD 3.3.3.3 sub para 6]
- 3.5. Advice Notices**
- 3.5.1. LFS shall enable an authorised User to select a menu option to view a SAPADS Advice Note. [BRD 3.2.7, 3.3.3.8 sub para 4]
- 3.5.2. Details of each SAPADS Advice Notice held by LFS for an authorised User's Outlet shall be displayed in summary form. LFS shall enable the authorised User to select a SAPADS Planned Order and view that SAPADS Planned Order in more detail. (BRD 3.3.3.8 sub para 5)
- 3.5.3. Once a SAPADS Advice Notice has been read by the authorised User it shall be marked as read but shall still be available for subsequent viewing until such time as it is deleted in accordance with paragraph 3.5.5. [BRD 3.3.3.8 sub para 6]



3.5.4. The LFS shall provide the authorised User with the option to print any SAPADS Advice Notices, held by LFS for the authorised User's Outlet, using the back office printer. [BRD 3.3.3.8 sub para 6]

3.5.5. A SAPADS Advice Notice shall be automatically deleted from all operational databases ten (10) days following of its delivery to the Outlet. [BRD 3.3.3.8 sub para 7]

### 3.6. Returning Cash and/or Stock from Outlets

3.6.1. LFS shall allow an authorised User to enter details of cash and Inventory Items which is to be returned from an Outlet to the Distribution Centre. [BRD 3.1.3 sub para 2]  
An authorised User shall use EPOSS facilities to create a Remittance Out Record in respect of cash and/or Inventory Items which are to be returned [BRD 3.3.3.6 sub para 1]

#### Create Remittance Out

3.6.2. An authorised User shall create Remittances Out by entering the details of the value or volume of cash and/or Inventory Items, by denomination, which are to be included in a pouch and returned from a single Stock Unit. [BRD 3.3.3.6.1 sub para 1]

3.6.3. An authorised User shall have the option of cancelling the Remittance Out Record at any time up to completion of the activity. [BRD 3.3.3.6.1 sub para 1]

#### Data Capture

3.6.4. LFS shall capture the barcode details to identify the SAPADS Pouch used to return the cash/Inventory Items and associate with the SAPADS Pouch the Remittance Out Record which details the cash/Inventory Items contained within in each SAPADS Pouch. [BRD 3.1.3 sub para 2, 3.2.5 sub para 1 & 3]

3.6.5. LFS shall produce a tally roll print following the completion of each "Remittance Out" detailing the cash/Inventory Items being returned in the SAPADS Pouch. [BRD 3.3.3.6.3 sub para 1]

#### Pouch Collection

3.6.6. LFS shall allow an authorised User to invoke the "Handover Pouch" option and shall scan the barcodes on





the SAPADS Pouches which are to be collected. [BRD 3.2.5 sub para 2 & 3, 3.3.3.6.4 sub para 1]

3.6.7. LFS shall enable an authorised User to confirm that the SAPADS Pouch collection procedure has been completed.

3.6.8. Following completion of this procedure LFS shall produce two (2) identical tally roll receipts which shall include the following details:

a) SAPADS Pouch identifiers, i.e. barcode details;

b) date and time barcode scanned;

c) authorised User;

d) Outlet FAD code

e) space for signature. [BRD 3.3.3.6.4 sub para 1]

3.6.9. LFS shall retain information about the cash/Inventory Items in the SAPADS Pouch, the barcode details and other details recorded in accordance with paragraph 3.6.8. until the details are passed to SAPADS or the remittance out process is reversed. [BRD 3.2.5 sub para 2]

#### *Automatic Stock Adjustment*

3.6.10. On completion of the "Create Remittance Out" process, the cash/Stock levels recorded for the relevant Stock Unit shall be automatically decreased. [BRD 3.2.6, 3.3.3.7]

## **4. LFS INTERFACE WITH SAPADS**

### **4.1. General**

4.1.1. LFS shall utilise the facilities of the POCL Infrastructure Service TMS to distribute data to and from SAPADS as required for the correct operation of LFS.

4.1.2. The Contractor and POCL shall jointly develop and agree (such agreement not be unreasonably withheld or delayed) the LFS Application Interface Specification and the LFS Technical Interface Specification which shall include, without limitation, a description of:

- the physical manifestation of the Service boundary;



- the data that is transferred over the Service boundary (in both directions);
- the service characteristics of the data transfers (e.g. resilience and fallback).

4.1.3. The LFS Application Interface Specification and the LFS Technical Interface Specification shall be complete and approved before any Acceptance testing for the LFS commences.

#### 4.2. Stock and Cash Declarations

##### *Daily Cash Declarations to SAPADS*

- 4.2.1. LFS shall transmit data extracted from all daily Cash On Hand Statements in accordance with paragraph 3.1. to the Contractor's datacentre. [BRD 3.3.3.5 sub para 11]
- 4.2.2. LFS shall create files containing all data extracted from Cash On Hand Statements completed by the cut off time specified in Schedule K08 and shall dispatch this file to SAPADS. [BRD 3.3.3.5 sub para 11]

##### *Weekly Stock/Cash Declaration*

- 4.2.3. LFS shall transmit the data extracted from all Cash On Hand Declarations, Stamps On Hand Declarations and Inventory Item opening balances in accordance with paragraphs 3.2. and 3.3. to the Contractor's datacentre. [BRD 3.3.3.5 sub para 13]
- 4.2.4. LFS shall create files containing data extracted from all Cash On Hand Declarations, Stamps On Hand Declarations and Inventory Item opening balances completed by the cut off time specified in Schedule K08 and shall dispatch this file to SAPADS. [BRD 3.3.3.5 sub para 13]

#### 4.3. SAPADS Planned Orders

##### *Receipt of SAPADS Planned Orders from SAPADS*

- 4.3.1. LFS shall receive SAPADS Planned Orders created by SAPADS at the SAPADS/LFS Service boundary.
- 4.3.2. LFS shall validate SAPADS Planned Order files in accordance with the rules defined in the LFS Application Interface Specification. [BRD 3.3.3.2 sub para 1]



*Delivery of SAPADS Planned Orders to Outlets*

- 4.3.3. LFS shall deliver SAPADS Planned Orders to the correct destination Outlet, as identified by the FAD code, in accordance with the timescales set out in Schedule K08. [BRD 3.2.2 sub para 1, 3.3.3.2 sub para 1]

**4.4. SAPADS Advice Notices***Receipt of SAPADS Advice Notices from SAPADS*

- 4.4.1. LFS shall receive SAPADS Advice Notices created by SAPADS at the SAPADS/LFS Service boundary. [BRD 3.3.3.8 sub para 1]
- 4.4.2. LFS shall validate SAPADS Advice Notice files in accordance with the rules defined in the LFS Application Interface Specification.

*Delivery of SAPADS Advice Notices to Outlets*

- 4.4.3. LFS shall utilise the destination indicator provided by SAPADS as part of each record for the routing of SAPADS Advice Notices to the destination Outlet or Outlets. The destination indicator shall contain either the FAD code of the destination indicator or be set to "ALL" where the SAPADS Advice Notice is to be distributed to all Outlets. [BRD 3.3.3.8 sub para 1 & 2]
- 4.4.4. LFS shall deliver SAPADS Advice Notices in accordance with the timescales set out in Schedule K08.

**4.5. Pouch Receipt Confirmation**

- 4.5.1. The LFS shall transmit all the "received SAPADS Pouch" records created in accordance with paragraph 3.4.7. to the Contractor's datacentre. [EXT -JB]

**4.6. Outward Remittances**

- 4.6.1. LFS shall transmit all Remittance Out Records and Pouch details created at Outlets to the Contractor's datacentre. [BRD 3.3.3.6 sub para 1, 3.3.3.6.4 sub para 3]



**5. FALLBACK PROCEDURES****Collect and Receive Pouch**

- 5.1. In a multi Counter Position Outlet, in the event of a failure at an individual Counter Position being used by the authorised User, the authorised User shall access LFS at an alternative Counter Position to record the receipt of the pouch. [Ext-JB]
- 5.2. In a single Counter Position Outlet in the event of Hardware or Software failure which prevents the barcode reader operating or where a barcode is damaged such that it cannot be read by the barcode reader, LFS shall provide a facility to allow the authorised User to manually key in the barcode details.[BRD 3.3.3.3 sub para 4]
- 5.3. In a single Counter Position Outlet, in the event of a failure which prevents the counter printer from operating, LFS shall display information to recorded on manually produced receipts in accordance with the agreed procedures. [BRD 3.3.3.3 sub para 4]
- 5.4. In the event of a complete OPS failure at all Counter Positions in an Outlet, the Contractor shall provide procedures to enable the receipt of the pouch to be recorded manually. [BRD 3.3.3.3 sub para 5]
- 5.5. LFS shall include fallback arrangements which permit manual recording of stock movement (at the level of SAPADS Pouches) in the event of any failure which prevents the use of LFS or the POCL Infrastructure Services.
- 5.6. Such fallback arrangements shall ensure the auditable recovery of data following such a failure.

**6. SUPPORT SERVICES****6.1. Training And User Manuals**

- 6.1.1. The Contractor shall develop and maintain user documentation in PPDs as required for the operation of LFS.





**6.2. Help Desk**

6.2.1. The Contractor shall provide help desk support for LFS as part of the Horizon System Helpdesk service.



CODIFIED AGREEMENT

SCHEDULE K02

RESTRICTED CONTRACTS

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SCHEDULE K02 - ACCEPTANCE CRITERIA

Not used - this schedule is intentionally blank.



## SCHEDULE K03- LFS - POCL RESPONSIBILITIES

## 1. PURPOSE

- 1.1. This Schedule identifies the actions and activities which POCL must undertake to permit the Contractor to deliver LFS.
- 1.2. POCL's responsibilities shall be completed by a date consistent with the Project Plan.

## 2. RESPONSIBILITIES

No .	Responsibility	Service Definition paragraph number.
2.1.	POCL to identify in the Contract Controlled Document entitled [CCD name] (a) those items that are designated Inventory Items; (b) how they are to be specified within POCL Reference Data; (c) whether the item level sales information is captured as part of the point of sale counter transaction or as a separate bulk entry.  To be achieved by [dd/mm/yy].	2.4
2.2.	POCL to specify within Reference Data the additional Item structures required to support the bulk entry of sales details for certain Inventory Items.  Initially by [dd/mm/yy] and then ongoing throughout the term of the Codified Agreement.	2.4
2.3.	POCL to agree the User Roles and Access Permissions appropriate for all LFS functions and to record this in the Contract Controlled Document entitled [CCD name].  To be achieved by [dd/mm/yy].	2.1





## CODIFIED AGREEMENT

## SCHEDULE K03

## RESTRICTED CONTRACTS

No .	Responsibility	Service Definition paragraph number.
2.4.	POCL to identify in the Contract Controlled Document entitled [CCD name] the format of the "Pouch Handover" receipts.  To be achieved by [dd/mm/yy].	3.4.9
2.5.	POCL to agree with the Contractor, and record such agreement in the Contract Controlled Document entitled [CCD name], the time(s) when the Contractor shall transmit the Receive Pouch records to SAPADS.  To be achieved by [dd/mm/yy].	3.4.10
2.6.	POCL to ensure that the Counter Operations Manual describes the use of the Consignment Note as part of the new procedure for Inward Remittance.  Ongoing throughout the term of the Codified Agreement.	6.1.1
2.7.	POCL to specify within Reference Data the bar-code formats required for "received" pouches and "collected" pouches,  Initially by [dd/mm/yy] and then ongoing throughout the term of the Codified Agreement.	3.4.7
2.8.	POCL to agree with the Contractor, and record such agreement in the Contract Controlled Document entitled [CCD name], the business rules for the re-use of bar-codes.  To be achieved by [dd/mm/yy].	3.4.7
2.9.	POCL to ensure that the Counter Operations Manual describes the new Pouch Handover process and the new Rem-Out to Pouch process.  Ongoing throughout the term of the Codified Agreement.	6.1.1



## CODIFIED AGREEMENT

## SCHEDULE K03

## RESTRICTED CONTRACTS

No .	Responsibility	Service Definition paragraph number.
2.10.	<p>POCL to ensure that all third parties responsible for the delivery/collection of Cash and Stock to/from Outlets are notified of and agree with the Pouch Handover process.</p> <p>Ongoing throughout the term of the Codified Agreement.</p>	3.4.6
2.11.	<p>POCL and the Contractor to agree an optimum joint Operational Schedule which shall specify the target processing times for file exchanges between the Contractor and the SAPADS systems. Such agreement shall be recorded in the Contract Controlled Document entitled [CCD name].</p> <p>To be achieved by [dd/mm/yy].</p>	4.1.1
2.12.	<p>POCL to produce the Contract Controlled Document entitled "SAPADS Technical Interface Specification". The document shall be based on the "Pathway to Client Generic Technical Interface Specification".</p> <p>To be achieved by [dd/mm/yy].</p>	4.1.3
2.13.	<p>POCL to produce the Contract Controlled Document entitled "SAPADS Application Interface Specification".</p> <p>To be achieved by [dd/mm/yy].</p>	4.1.3
2.14.	<p>POCL to specify, in the Contract Controlled Document entitled [CCD name] the number of days that any data sent to SAPADS shall be retained by the Contractor before it is deleted.</p> <p>To be achieved by [dd/mm/yy].</p>	4.1.1



## CODIFIED AGREEMENT

## SCHEDULE K03

## RESTRICTED CONTRACTS

No .	Responsibility	Service Definition paragraph number.
2.15.	POCL to co-operate with the Contractor in the development of the Service Management Procedures required to operate the SAP-ADS/Contractor interface.  To be achieved by [dd/mm/yy].	4.1.1
2.16.	POCL to notify the Contractor of the roll-out of Automated Distribution Centres and those Outlets that are to receive or dispatch data to SAPADS. For each Outlet this shall specify when they are to start dispatching Declarations and when they are to start receiving/dispatching pouch records.  Such information to be regularly supplied at least [N] weeks before data transfers to/from SAPADS are required.	1.2
2.17.	POCL to advise the Contractor how the LFS service introduction process is to be carried out. Such notification shall be in the Contract Controlled Document entitled [CCD name].  To be achieved by [dd/mm/yy].	1.2
2.18.	POCL to co-operate with the Contractor in the production of the Contract Controlled Document "LFS Business and System Process Model and Rules".  To be achieved by [dd/mm/yy].	2.1
2.19.	POCL to agree with the Contractor the processes that shall be used to cater for all SAPADS or LFS business contingencies. These to be agreed during the ICL Pathway system design phase and recorded in the Contract Controlled Document entitled [CCD name].  To be achieved by [dd/mm/yy].	5



**SCHEDULE K04- LFS ROLL-OUT AND IMPLEMENTATION**

1. The roll-out and implementation of the LFS shall be part of the roll-out and implementation of CSR+ which is to be agreed.





**SCHEDULE K05 - LFS SERVICE MANAGEMENT****1. PURPOSE**

- 1.1. The purpose of this schedule is to describe the Service Management activities which the Contractor and POCL shall undertake to deliver the LFS.

**2. OBJECTIVES OF SERVICE MANAGEMENT**

- 2.1. The objectives of the management of the LFS are to monitor and manage the delivery of the LFS, and to report on the same to the Contract Steering Group defined in Schedule A04.
- 2.2. The sections below detail (without limitation) the specific objectives of key activities that will be undertaken. The significance of the detailed tasks may vary over the life of this Codified Agreement.

**3. ORGANISATION****3.1. General**

- 3.1.1. The Contractor and POCL shall establish an organisational structure to manage the delivery of the LFS in accordance with Schedule K01 and all other applicable provisions hereof. The key roles within this organisation are identified in sections 4 and 5 below.
- 3.1.2. Any changes to the organisation defined in this Schedule shall be made in accordance with Clause 101.2.
- 3.1.3. The specific individuals to fulfil the roles identified in the organisation shall be communicated in writing between the parties to this Codified Agreement.

**4. CONTRACTOR ROLES KEY TO THE DELIVERY OF THE SERVICE****4.1. Introduction**

- 4.1.1. The roles and responsibilities within the Contractor's organisation specific to the delivery of the LFS are detailed below. One person may perform more than one of these roles.



#### 4.2. Operational Service Manager

4.2.1. The Operational Service Manager shall be responsible for building a strategic relationship at the appropriate level in POCL with an emphasis on operational requirements of this Service. The Operational Service Manager shall attend the quarterly Service Review Meeting.

#### 4.3. Service Manager

4.3.1. The Service Manager shall be responsible for the overall delivery of the LFS to POCL. The Service Manager shall specifically be responsible for:

- a) the maintenance of Service Levels in accordance with Schedule K08;
- b) the provision of monthly service reports as described below;
- c) briefing the Contractor's attendees at the Contract Steering Group meetings as described in Schedule A04;
- d) briefing the Operational Service Manager in advance of the quarterly service review meetings;
- e) facilitating joint quality initiatives with POCL.

#### 4.4. The Service Help Desk Manager

4.4.1. The Horizon System Helpdesk manager for this service shall be responsible for the management of the LFS Helpdesk calls relating to the software or infrastructure of the LFS as identified in the Horizon Service Help Desk Call Matrix. The Contractor's Helpdesk manager for LFS shall not be responsible for managing calls relating to POCL procedures and the use of LFS within the Outlet. In the event of such calls being made to the Helpdesk the caller shall be advised to contact the appropriate POCL Helpdesk.

### 5. POCL ROLES KEY TO THE DELIVERY OF THE SERVICE

#### 5.1. Introduction

5.1.1. The roles and responsibilities of POCL specific to Service Management are detailed below. One person may perform more than one of these roles.



**5.2. Business Manager**

5.2.1. The POCL Business Manager is the individual responsible for the business which the Service supports. The Business Manager shall attend the quarterly Service Review Meeting.

**5.3. POCL Liaison Manager**

5.3.1. The POCL Liaison Manager is responsible for the day-to-day liaison with the Contractor. The POCL Liaison Manager provides the first point of contact with the Contractor. This manager shall specifically be responsible for:

- a) monitoring delivered Service Levels;
- b) receipt and analysis of the Contractor's monthly service reports;
- c) briefing the POCL Business Manager in advance of the Service Review Meetings;
- d) briefing the POCL attendees at the Contract Steering Group Meetings as described in Schedule A04;
- e) facilitating joint quality initiatives with the Contractor.

**5.4. The POCL Helpdesk Manager**

5.4.1. POCL will be responsible for providing their own Helpdesk service for LFS users.

**5.5. Key Personnel**

5.5.1. The specific individuals who fulfil the roles defined for POCL shall be notified to the Contractor in writing in advance of their taking up the post.

**6. ESCALATION PROCEDURES**

6.1. The Contractor and POCL shall operate escalation procedures for issues affecting the LFS in accordance with the provisions of Schedule A04 of the Codified Agreement.





## 7. MONITORING

### 7.1. Service Reporting

7.1.1. The Contractor shall provide POCL with monthly service management reports, which shall be produced within five (5) working days of the calendar month end, unless agreed otherwise. The service management reports shall allow POCL to monitor the Contractor's Service provision and achievement of the Service Levels.

7.1.2. Service management reports shall include but are not restricted to the following attributes:

- a) availability of service;
- b) service breaks/service failures;
- c) planned maintenance breaks;
- d) service delivery changes;
- e) Incidents resolved and outstanding;
- f) data to support reporting against the Service Levels in Schedule K08.

7.1.3. The Contractor shall provide POCL with access to the raw data explicitly contained in the service management reports, when requested, to allow POCL to generate POCL internal reports.

### 7.2. Service Review Meetings

7.2.1. The POCL Business Manager and the Contractor's Operational Service Manager shall meet every three (3) months (or as otherwise agreed by the POCL Business Manager and the Contractor's Operational Service Manager) to review Service Levels, Incidents and Problems reported in the previous period.

7.2.2. In addition POCL shall advise the Contractor of its requirements for implementation of the Service at new Outlets.

7.2.3. Other Contractor staff and POCL staff may attend these meetings at the request of either the Contractor or POCL to resolve particular matters on the agenda.



7.2.4. A typical agenda for such a meeting may include, without limitation:

- a) Service management reports;
- b) highlights of previous period's service statistics, concentrating on failures to meet required Service Levels, including major Incidents reported, Service trends and Service achievements;
- c) explanation of unresolved Incidents and, in particular, any matters still outstanding;
- d) review of the on-going actions, such as fault correction, agreed service changes and any POCL related work;
- e) change management progress report;
- f) suggestions for improvements to Service;
- g) advance notification of major changes and new work, and review of the impact these may have on Service requirements;
- h) any implementation requirements.

7.2.5. The Contractor shall prepare the necessary reports for discussion at these meetings.

7.2.6. POCL shall keep a record of these meetings and shall distribute the record to the Contractor and to the POCL Contract Manager for review at the Contract Steering Group Meeting (see Schedule A04).

7.2.7. The Service Review Meeting shall normally take place at least five (5) days after the delivery date of each third monthly service management report provided by the Contractor to POCL.



CODIFIED AGREEMENT

SCHEDULE K06

RESTRICTED CONTRACTS

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SCHEDULE K06- LFS SERVICE TRANSFER

This schedule is not used and is intentionally blank.



NOT USED





**SCHEDULE K08 - LFS SERVICE LEVELS****1. PURPOSE**

- 1.1. This Schedule specifies the Service Levels for LFS.
- 1.2. The Contractor shall provide the LFS at all Outlets for all the hours that they are open for business.

**2. SERVICES MEASURES**

- 2.1. The LFS measures are categorised as follows:

- a) transfer of data from Outlet to SAPADS;
- b) transfer of data from SAPADS to Outlet.

**3. OUTLET TO SAPADS DATA TRANSFER****3.1. Introduction**

- 3.1.1. This section of this schedule identifies the required performance for data delivery from Outlets to SAPADS across the agreed interface.

**3.2. Service levels**

Service Requirement	Reporting Period	Data available at the Outlet by	Service Targets	
			Minimum Acceptable (MA)	Termination Review (TR)
Confirmation of Pouch received at Outlet.	Monthly	19:00 on day A	98% to SAPADS by 22:00 on day A  100% by 03:00 hours on day B	98% to SAPADS by 03:00 hours on day B



## CODIFIED AGREEMENT

## SCHEDULE K08

## RESTRICTED CONTRACTS

Details of SAPADS Pouch Collected from Outlet	Monthly	19:00 on day A	98% to SAPADS by 22:00 on day A  100% by 03:00 hours on day B	98% to SAPADS by 03:00 hours on day B
Daily Cash On Hand details	Monthly	19:00 hours on day A	98% to SAPADS by 23:59 hours on day A	95% to SAPADS by 23.59 hours on day A
Weekly Stamps/Stock on Hand Details  Weekly Inventory Items details	Monthly	19:00 hours on Wednesday (day A), Thursday (day B) or Friday (day C)	98% to SAPADS by 22:00 on day C  100% to SAPADS by 23:59 hours on day C	98% to SAPADS by 23.59 hours on day C

**3.3. Remedies*****Review and Rectification***

3.3.1. In the event that any of the Minimum Acceptable Service targets in paragraph 3.2. are not met the Contractor shall provide POCL with an analysis of the reason for the failure. The Contractor and POCL shall agree a rectification and improvement plan to address the failure.

***Termination Rights***

3.3.2. In the event that the actual level of Service falls below the Termination Review Threshold for any two (2) consecutive months then POCL may terminate the Codified Agreement in accordance with Clause 902.2 of the Codified Agreement. For the avoidance of doubt this right of termination is in addition to the general rights of termination specified in paragraphs 4.4 and 4.5 of Schedule A06.



#### 4. SAPADS TO OUTLETS DATA TRANSFER

##### 4.1. Introduction

This section of this schedule identifies the required performance for data delivery from SAPADS to Outlets across the agreed interface.

##### 4.2. Service levels

Service Requirement	Reporting Period	Data available at the SAPADS/LFS boundary by	Service Target	
			Minimum Acceptable (MA)	Termination Review (TR)
Delivery of SAPADS Planned Orders to Outlets	Monthly	10:00 on day A	96% at the Outlet(s) by 14:00 on day A  100% at the Outlet(s) by 14:00 on day B	96% at the Outlet(s) by 14:00 day B
Delivery of SAPADS Advice Notes to Outlets	Monthly	03:00 on day A	98.5% at the Outlet(s) by 08:00 on day C	96% at the Outlet(s) by 12:00 on the POCL Core Day within day C

##### 4.3. Remedies

4.3.1. In the event that any of the Minimum Acceptable Service targets in paragraph 4.2. are not met, the Contractor shall provide POCL with an analysis of the reason for the failure. The Contractor and POCL shall agree a rectification and improvement plan to address the failure.





*Termination Rights*

- 4.3.2. In the event that the actual level of Service falls below the Termination Review Threshold for any two (2) consecutive, then POCL may terminate the Codified Agreement in accordance with Clause 902.2 of the Codified Agreement. For the avoidance of doubt this right of termination is in addition to the general rights of termination specified in paragraphs 4.4 and 4.5 of Schedule A06.



CODIFIED AGREEMENT

SCHEDULE K09

RESTRICTED CONTRACTS

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**SCHEDULE K09 - POCL CONTINGENCY SERVICES**

1. The LFS Contingency Services shall be as specified in the contingency plans to satisfy Requirement 830 in Schedule A15.



## **SCHEDULE L1- OPERATIONAL TRIAL OBJECTIVES**

### **1. Purpose**

- 1.1 This Schedule details the objectives of the Operational Trial and its constituent phases which are the technical test, the model office test and the live trial.

### **2. Objectives of the Operational Trial**

- 2.1 The objectives of the Operational Trial shall be: to assess the functionality and performance of the Core System and the POCL Service Infrastructure (in accordance with the process and criteria described in Schedule L3) prior to, and to confirm their readiness for, Roll-Out; and to confirm that the Core System and the POCL Service Infrastructure conform with the provisions of the Codified Agreement which relate to them.
- 2.2 The Operational Trial System shall consist of all elements of the POCL Service Infrastructure necessary for the performance of the Operational Trial in accordance with the provisions hereof.
- 2.3 The Contractor shall deliver the Operational Trial System for testing to enable the functionality and performance of the Core System and the POCL Service Infrastructure to be assessed at each phase of the Operational Trial as set out in Schedule L2.

#### *Technical Test*

- 2.4 The objective of the technical test shall be to confirm that the underlying elements of the Core System and the POCL Service Infrastructure function correctly and to confirm their readiness for the model office test.

#### *Model Office Test*

- 2.5 The objective of the model office test shall be to test the Core System and the POCL Service Infrastructure in an environment which simulates (as far as possible without using live operational data) the live operation of the end to end Core System and the POCL Service Infrastructure, and to confirm their readiness for the live trial.

#### *Live Trial*

- 2.6 The objective of the live trial shall be to test the Core System and the POCL Service Infrastructure with operational data, Users and Customers, to confirm that the Core System and the POCL Service Infrastructure function in the live environment, and to confirm their readiness for Roll-Out.
- 2.7 The number of Outlets involved in the live trial shall be such number between 315 and 325 as the parties may agree.



3. **Delivery and implementation during Operational Trial**
- 3.1 The Operational Trial shall comprise CSR, any maintenance releases associated with CSR and all previous releases.
- 3.2 There shall be a single live trial which shall enable all aspects of the Core System Release to be tested as an integrated whole, in accordance with the timetable in Schedule L2.





## **SCHEDULE L2- OPERATIONAL TRIAL PLANS**

### **1. Purpose**

1.1 This Schedule describes the phases of the Operational Trial.

### **2. Plans**

2.1 The Contractor shall produce a testing strategy for agreement by POCL. (R958)

### **3. Phases in the Operational Trial**

#### **3.1 Introduction**

3.1.1. The Operational Trial shall consist of the following three distinct phases:  
(R925)

- a technical test
- a model office test
- a live trial.

3.1.2. Phases in the Operational Trial may overlap but shall finish in sequence. (R925)

3.1.3. The Contractor shall produce all of the deliverable documents defined in Operational Trial - Technical & Model Office Test Requirements of the Service Supplier (referred to in paragraph 2.1 of Schedule L4). (R925)

3.1.4. The Contractor shall produce test scripts to reflect all test conditions supplied by POCL's test team. POCL reserves the right to define and produce other test scripts as required. (R925)

#### **3.2 Technical Test**

3.2.1. The Contractor shall undertake the technical test which shall be monitored by POCL in accordance with Operational Trial - Technical & Model Office Test Requirements of the Service Supplier (referred to in paragraph 2.1 of Schedule L4). The Contractor shall submit the Acceptance Specification for the technical test for review and approval by POCL in accordance with the timescales in the Project Plan. (R925; extrapolation)

#### **3.3 Model Office Test**

3.3.1 The Contractor shall support testing within the model office test in accordance with Operational Trial - Technical & Model Office Test Requirements of the Service Supplier (referred to in paragraph 2.1 of Schedule L4). (R925; S925)

3.3.2. The Contractor shall install the necessary elements of the POCL Service Infrastructure to enable testing at the model office site. The Contractor shall



install Equipment equivalent to forty-eight (48) Counter Positions at the model office site. (R925)

**3.4 Live Trial**

- 3.4.1. The live trial shall initially take place in the number of Outlets referred to in paragraph 2.7 of Schedule L1.
- 3.4.2. The live trial shall not start until the model office test has been successfully completed. (R925)



### SCHEDULE L3- OPERATIONAL TRIAL ACCEPTANCE

1. Subject to Clause 201.6 the Core System shall meet the following Acceptance Criteria, namely that:
  - (a) the Requirements for the Core System specified in Schedule A15 of the Codified Agreement shall be satisfied fully:
    - i. in accordance with the Policies and Standards specified in Schedule A02 of the Codified Agreement; and
    - ii. by means of the Solutions for the Core System specified in Schedule A16 of the Codified Agreement; and
    - iii. utilising the Software for the Core System specified in Schedule B1 of the Codified Agreement; and
    - iv. utilising the Hardware specified in Schedule B2 of the Codified Agreement; and
    - v. delivering the Documentation for the Core System specified in Schedule B3 of the Codified Agreement; and
  - (b) such Requirements are capable of being implemented as specified in Schedule G6 of the Codified Agreement; and
  - (c) the Acceptance Criteria in Schedules B5, E2, F2, G4 and H2 of the Codified Agreement are met.





#### **SCHEDULE L4- POCL'S OPERATIONAL TRIAL RESPONSIBILITIES**

##### **1. Purpose**

- 1.1. *This Schedule describes POCL's Responsibilities for the Operational Trial.*

##### **2. POCL's RESPONSIBILITIES**

- 2.1. POCL shall produce and baseline the Operational Trial - Technical & Model Office Test Requirements of the Service Provider document for agreement with the Contractor. (S925)
- 2.2. POCL shall review and approve (such approval not to be unreasonably withheld) the testing strategy produced by the Contractor pursuant to paragraph 2.1 of Schedule L2. (S958)



## **SCHEDULE L5- OPERATIONAL TRIAL REMEDIES**

### **1. PURPOSE**

- 1.1. This Schedule sets out the remedies which shall be applicable to the Operational Trial.

### **2. GENERAL PRINCIPLES**

- 2.1. The remedies shall become payable on failure of the Contractor to start, or complete, the Operational Trial in accordance with the Project Plan, or as otherwise agreed in writing by POCL.
- 2.2. The remedies shall be available to POCL in accordance with the provisions of Schedule A06 of the Codified Agreement.
- 2.3. The Operational Trial remedies shall apply in accordance with Clause 802.1 of the Codified Agreement.

### **3. [NOT USED]**

### **4. DELAY IN CSR ACCEPTANCE OR THE CS COMPLETION DATE**

- 4.1. In the event that CSR Acceptance or the CS Completion Date is delayed because of the Contractor's Default, the Contractor shall be liable to pay to POCL the sums stated below, for each of the first thirteen (13) complete weeks by which the actual Acceptance Date is later than 30th September, 1999 or, as the case may be, the CS Completion Date is later than 31st March, 2001 (as such date is adjusted to reflect any delay in CSR Acceptance):

week 1: £45,000

week 2: £90,000

week 3: £135,000

week 4: £180,000

- 4.2. The latter figure of £180,000 shall be increased by £45,000 to £225,000 for week 5, and by a further £45,000 for every additional complete week of delay, subject to the above-stated maximum of thirteen (13) weeks.
- 4.3. In the event that CSR Acceptance is delayed because of the Contractor's Default, for more than thirteen (13) weeks, POCL shall be entitled to terminate the Codified Agreement in accordance with Clause 902.1.4 of the Codified Agreement.



5. PAYMENT OF REMEDIES

- 5.1. Payment of any remedies due in relation to the Operational Trial and/or the CS Completion Date shall be made in accordance with the relevant provisions of Schedule A06 of the Codified Agreement.

