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SCHEDULE A1**PREFERRED SYSTEMS INTEGRATOR****Version History**

Version No.	Date	Comments
1.0	31/08/06	Agreed version as at date of signature of CCN 1200
1.1	26/09/06	Minor corrections
2.0	24/01/07	Baseline copy of 1.1
6.0	15/06/09	Moving all Schedules to V6.0 as agreed with Fujitsu
7.0	26/04/10	Moving all Schedules to v7.0 as agreed with Fujitsu
8.0	21/02/12	Moving all Schedules to v8.0 in accordance with CCN1294d
9.0	13/01/14	Moving all Schedules to v9.0 in accordance with CCN1349
10.0	10/09/15	Moving all Schedules to v10.0 in accordance with CCN1506
11.0	31/03/16	Moving all Schedules to V11.0 in accordance with CCN1604
12.0	03/07/17	Moving all Schedules to V12.0
<u>13.0</u>		<u>Moving all Schedules to V13.0</u>

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SCHEDULE A1

PREFERRED SYSTEMS INTEGRATOR

1. INTRODUCTION

- 1.1 In Clause 2 of this Agreement Post Office has stated that it is its present intention to appoint Fujitsu Services as Preferred Systems Integrator with a wider scope of operation than the Infrastructure and with the potential to include all Relevant IT Systems in that scope. The purpose of such appointment would be to exploit the appropriate IT and services to drive Post Office's business strategy. This Schedule sets out the rights and obligations of a Preferred Systems Integrator and the terms upon which Post Office would be willing to appoint Fujitsu Services as the Preferred Systems Integrator.
- 1.2 The Systems Integration Partnership and Executive Relationship shall review opportunities to create value for Post Office by Fujitsu Services taking on the Systems Integration of additional IT systems and services, and shall maintain a list of such opportunities in a Working Document.

2. SCOPE

- 2.1 For the purposes of this Schedule A1, "Preferred Systems Integrator" shall mean the person appointed by Post Office from time to time to carry out the procurement, integration, provision and management of any or all applications, infrastructure and services required by Post Office for the purposes of integrating some or all of the following information technology systems:

- 2.1.1 any new IT system acquired by Post Office which is required by Post Office to interface with the Infrastructure;
- 2.1.2 any existing IT system used by Post Office which interfaces or is required to interface with the Infrastructure; or
- 2.1.3 any other IT system currently in use or acquired by Post Office after the Amendment Date which is not required to interface with the Infrastructure, but excluding any system that is provided as a shared information technology system with other parts of the Royal Mail Group,

(each a "Relevant IT System", together the "Relevant IT Systems").

- 2.2 Subject to the Parties agreeing the terms for Systems Integration responsibility in accordance with paragraph 4.1, such responsibility may involve the Preferred Systems Integrator undertaking the provision of operating, support, development and maintenance activities associated with Systems Integration using either its own resources or by procuring some or all of such associated activities from subcontractors. Where such associated activities are procured from third parties, the Preferred Systems Integrator shall remain solely responsible to Post Office for their provision.

3. APPOINTMENT

- 3.1 Nothing in this Agreement shall oblige Post Office to appoint Fujitsu Services as its sole Preferred Systems Integrator. However, it is Post Office's present intention, subject to paragraphs 3.2 and 3.3, to appoint Fujitsu Services as the Preferred Systems Integrator within twelve months of the Amendment Date.

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- 3.2 Post Office, at its sole discretion but acting reasonably in accordance with paragraphs 3.3, 3.4 and 3.5, shall determine:
- 3.2.1 when Fujitsu Services is first appointed as Preferred Systems Integrator;
 - 3.2.2 which categories of Relevant IT Systems that initial appointment covers; and
 - 3.2.3 the timing and extent of any subsequent additions to that scope.
- 3.3 Post Office's determination of the matters referred to in paragraph 3.2 shall be based on Post Office's assessment of (a) the extent to which Fujitsu Services has met the criteria for selection of a Preferred Systems Integrator as set out in paragraph 3.4, taking account of the matters set out in paragraph 3.5 and (b) Fujitsu Services' performance of its obligations under this Agreement as monitored by Post Office and disclosed to Fujitsu Services in accordance with the processes set out in Schedule A2.
- 3.4 Post Office's criteria for selecting a Preferred Systems Integrator will comprise the candidate's ability to demonstrate (by reference where appropriate to any track record with Post Office) that it can, with respect to large scale complex IT systems such as that used in relation to the Horizon Service Infrastructure:
- 3.4.1 work collaboratively with other Post Office suppliers in delivering Post Office end to end requirements;
 - 3.4.2 manage third party service and product suppliers to deliver integrated solutions;
 - 3.4.3 deliver continual improvements in levels of service;
 - 3.4.4 deliver value for money to Post Office;
 - 3.4.5 use innovation to improve Post Office competitiveness;
 - 3.4.6 deliver application developments consistently within time, at or below cost budgets and to required quality;
 - 3.4.7 select supplier-independent products and services most appropriate to meet Post Office requirements; and
 - 3.4.8 adopt ways of working based on a relationship of mutual trust.
- 3.5 In evaluating Fujitsu Services' performance against the criteria set out in paragraph 3.4, Post Office shall take account of the following:
- 3.5.1 Fujitsu Services' progress on completing Project HNG-X within time, at or below cost budgets and to required quality;
 - 3.5.2 the ability of Fujitsu Services SIP Team Members, and/or Fujitsu Services, to generate and implement innovative ideas to either reduce Post Office costs or improve Post Office efficiency;

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- 3.5.3 Fujitsu Services recommending the selection of other companies' (rather than its own) products and services where these are demonstrably a better fit with Post Office's requirements;
 - 3.5.4 Fujitsu Services demonstrating in relation to at least one Service that they are best value for money;
 - 3.5.5 Fujitsu Services adopting new ways of working such as transparency on costing for new proposals, not 'man marking' (which means a situation where both Parties utilise individuals to manage a Service or other aspects of the Services) and, where appropriate, adoption of 'win-win' as the way of resolving issues; and
 - 3.5.6 when considering additions to the scope of Fujitsu Services' Preferred Systems Integrator role, its performance of that role in relation to its existing scope.
- 3.6 Without prejudice to any Systems Integration activities being provided by Fujitsu Services under this Agreement, Post Office reserves the right to seek competitive bids for any Systems Integration activities in relation to Relevant IT Systems where it considers it would be in the best interests of Post Office to do so. Fujitsu Services (having been appointed as Preferred Systems Integrator) would be invited to bid in all such competitions.
- 3.7 The appointment of Fujitsu Services as Preferred Systems Integrator will be terminated with immediate effect upon the termination or expiry of this Agreement.
- 3.8 The appointment of Fujitsu Services as Preferred Systems Integrator may be terminated or the scope within which it has such a role reduced with immediate effect by Post Office in its sole discretion:
- 3.8.1 should Fujitsu Services unreasonably refuse to accept responsibility for any Relevant IT System nominated by Post Office in accordance with paragraph 4; or
 - 3.8.2 should Fujitsu Services fail to fulfil its obligations under this Schedule A1.
- 3.9 Should Fujitsu Services be appointed as Preferred Systems Integrator and such appointment be terminated or its scope reduced under paragraph 3.8, Fujitsu Services' obligations under this Agreement to provide Systems Integration activities for the HNG-X Services shall continue in accordance with the other provisions of this Agreement.
- 4. RESPONSIBILITY**
- 4.1 At any time following Post Office's appointment of Fujitsu Services as its Preferred Systems Integrator, Post Office shall be entitled to nominate any Relevant IT System as a system for which Post Office would like the Preferred Systems Integrator to assume responsibility and shall disclose full details of the Relevant IT System to the Preferred Systems Integrator. The terms on which the Preferred Systems Integrator assumes such responsibility shall be subject to agreement in accordance with the Change Control Procedure.
- 4.2 Subject to the Parties agreeing the terms for Systems Integration responsibility in accordance with paragraph 4.1, activities in relation to the Relevant IT System will commence within three months of

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the date that such Relevant IT System is nominated for such responsibility by Post Office under paragraph 4.1 or such other period agreed between the Parties.

4.3 Post Office shall facilitate discussions between the Preferred Systems Integrator and any current supplier of products and/or services that are relevant to the nominated Relevant IT System. Where requested by the Preferred Systems Integrator, Post Office shall use reasonable endeavours to procure that Post Office's existing contracts with such suppliers that are relevant to the nominated Relevant IT System are assigned to or novated in favour of the Preferred Systems Integrator.

4.4 Subject to the Parties agreeing the terms for Systems Integration responsibility in accordance with paragraph 4.1, the Preferred Systems Integrator shall be responsible for all Systems Integration activities in relation to each Relevant IT System which Post Office nominates to the intent that the Preferred Systems Integrator shall ensure that:

4.4.1 each Relevant IT System meets the applicable service levels; and

4.4.2 the interoperability and performance across Relevant IT Systems meet the required service and performance levels applicable to each Relevant IT System.

5. VALUE FOR MONEY

5.1 The Preferred Systems Integrator activities shall be subject to market testing. Where Fujitsu Services is appointed as Preferred Systems Integrator, such market testing shall be carried out in accordance with the principles set out in Schedule D6, without causing delay to any of the other Market Testing activities described in that Schedule.

5.2 Where the Preferred Systems Integrator procures associated activities from a third party in accordance with paragraph 2.2, the provision of those activities shall be subject to market testing. Where Fujitsu Services is appointed as Preferred Systems Integrator, such market testing will be conducted in accordance with the principles set out in Schedule D6 without causing delay to any of the other Market Testing activities described in that Schedule and validated in accordance with the provisions of Schedule D4.

6. LEGALITY

The provisions of this Schedule A1 shall apply to the extent permitted by law, including, but not limited to, the provisions of the Competition Act 1998, Directive 2004/17/EEC and Directive 2004/18/EEC.

7. ASSOCIATED DOCUMENTS

7.1 There are no CCDs associated with this Schedule A1.

7.2 There are no CRDs associated with this Schedule A1.