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**SCHEDULE B6.2****HNG-X DESIGN AND BUILD****Version History**

<b>Version No.</b>	<b>Date</b>	<b>Comments</b>
1.0	31/08/06	Agreed version as at date of signature of CCN1200
1.1	26/09/06	Minor corrections
2.0	25/01/07	Baseline copy of 1.1
2.1	19/03/07	Applying CCN 1206
2.2	24/10/07	Anomaly: omission of text in paragraph 13.1
3.0	25/10/07	Baseline copy of 2.2
4.0	23/02/09	Baseline copy of 3.1
6.0	16/06/09	Moving all schedules to V6.0 as agreed with Fujitsu
6.1	24/12/09	Applying changes as per CCN 1268
7.0	24/05/10	Moving schedule to version 7.0
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
13.0		Moving all Schedules to V13.0

**Schedule B6.2 Version 13.0**

CONFIDENTIAL

## **SCHEDULE B6.2**

### **HNG-X DESIGN AND BUILD**

#### **1. INTRODUCTION**

This Schedule deals with:

- 1.1 an overview of the manner in which the HNG-X Requirements set out in or generated by the process in Schedule B6.1 will be logged and confirmed;
- 1.2 the agreed processes for design and development in support of the solution specification, build and test stages of the lifecycle of the HNG-X Development, including offshore development. The Parties acknowledge that Post Office is embarking on a project management methodology referred to as RMG Harmony. This methodology is in development at the date of signature of CCN1200. As such this Schedule may or may not align with RMG Harmony. In the event that Post Office requires changes to this Schedule to better align it with RMG Harmony those changes will be dealt with in accordance with the Change Control Procedure;
- 1.3 an overview of the Solution Baseline Documentation Set;
- 1.4 maintenance of the HNG-X Programme Plan and associated budgeting and reporting; and
- 1.5 other matters relating to the conduct of Project HNG-X and the Associated Changes.

#### **2. HNG-X REQUIREMENTS**

- 2.1 The HNG-X Requirements that will form the Requirements Baseline are referred to in, or will be generated in the manner defined in, Schedule B6.1.
- 2.2 Fujitsu Services will establish a method of requirements traceability against the Requirements Baseline for use during the HNG-X Development Period. Fujitsu Services will provide Post Office with a completed compliance matrix for all HNG-X Requirements listed in the Requirements Baseline by the milestone entitled "Requirements Compliance Matrix Baselined" in the HNG-X Programme Plan.

#### **3. SOLUTION BASELINE DOCUMENTATION SET**

- 3.1 Fujitsu Services shall develop a set of documents and other artefacts that accurately reflects the Solution Baseline (the "Solution Baseline Documentation



## CONFIDENTIAL

Set"). The Solution Baseline Documentation Set will consist of updated versions of Schedules B3.2, B3.3 and B3.4, the Solution Architecture, and more detailed information (which may be based on aspects of the Requirements Baseline and/or a set of architectural and design artefacts). The Parties shall work together throughout the two month period following the end of the Requirements Stage to agree by the end of that period the list of documents and other artefacts that will form the Solution Baseline Documentation Set (together with a summary description for each such document and artefact).

- 3.2 Changes to components or component usage explicitly described in the Solution Architecture, or in other documents and artefacts of the Solution Baseline Documentation Set which have been agreed between the Parties as requiring Post Office approval, shall be approved by Post Office and Fujitsu Services.

#### 4. **ARCHITECTURE & DESIGN**

- 4.1 Fujitsu Services will create and maintain, for the duration of the HNG-X Development Period, an architectural solution description, which shall be developed from the Solution Architecture and shall take account of relevant HNG-X Requirements (the "Architectural Solution Description"). The Architectural Solution Description will be used to support HNG-X Solution Assurance in the manner described in paragraph 5.4.2 and the Parties shall agree, in accordance with paragraph 3, which elements of the Architectural Solution Description shall form part of the Solution Baseline Documentation Set.

- 4.2 The Architectural Solution Description will consist of a number of architectural and design artefacts that capture the design characteristics of the component sub-systems of the solution. The architectural and design artefacts will take a number of forms, dependent on the nature of the sub-system but typically dictated by whether the component is to be newly created or retained or enhanced legacy. Architectural and design artefact production will be tracked through the HNG-X Programme Plan. Fujitsu Services shall work with Post Office to agree, such agreement not to be unreasonably withheld, the form of the architectural and design artefacts by the date for such agreement set out in the HNG-X Programme Plan.

#### 5. **HNG-X SOLUTION ASSURANCE**

- 5.1 HNG-X Solution Assurance is a significant and necessary activity in the HNG-X solution lifecycle providing the means by which Post Office and Fujitsu Services will progressively gain confidence in the emerging solution.
- 5.2 HNG-X Solution Assurance will continue the engagement between Post Office and Fujitsu Services that was established to conduct Requirements Assurance as a pre-cursor to establishing the Requirements Baseline.
- 5.3 The objectives of HNG-X Solution Assurance are to enable:

- 5.3.1 Post Office and Fujitsu Services to develop a common and shared understanding of the Requirements Baseline;

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- 5.3.2 Post Office to amplify, explain or clarify any points of difficulty in the interpretation of the Requirements Baseline as requested by Fujitsu Services;
- 5.3.3 Post Office and Fujitsu Services to monitor the progress of the Solution Baseline towards satisfying the Requirements Baseline;
- 5.3.4 Post Office and Fujitsu Services to progressively gain confidence in the completeness and integrity of the Solution Baseline;
- 5.3.5 Fujitsu Services to confirm to Post Office the operational effect of applying the HNG-X Assumptions to the Architectural Solution Description; and
- 5.3.6 Fujitsu Services to advise Post Office of potential operational or functional implications which may arise in the development of the Architectural Solution Description and for Post Office to consider appropriate actions, such actions to be agreed between the Parties. Such advice shall not include operational implications relating to the usability characteristics of the HNG-X User Interface or the user interface of the CSRDE, where such implications would be specific to Post Office's business operations and practices.

**5.4 HNG-X Solution Assurance Roles and Responsibilities**

- 5.4.1 The HNG-X Solution Assurance role will be led by the Post Office Design Authority and his team, supported by Fujitsu Services.
- 5.4.2 Fujitsu Services will demonstrate, through discussion and by the provision of appropriate architectural and design artefacts, how the Design and Architecture Requirements are met. In addition, Fujitsu Services will, through the provision of an appropriate compliance matrix, demonstrate the incorporation of all of the HNG-X Requirements in the Requirements Baseline against relevant solution artefacts.
- 5.4.3 During HNG-X Solution Assurance Post Office will not specify any design or design component to Fujitsu Services but will provide feedback where it does not reasonably believe that the solution design will correctly meet the Requirements Baseline, or where it believes that the solution outcome would result in unacceptable implications.
- 5.4.4 HNG-X Solution Assurance will be carried out via a joint design forum and ad-hoc discussions provided that the workings of the design forum or the holding of such ad-hoc discussions do not adversely impact progress against the HNG-X Programme Plan. Where Fujitsu Services believes that such an adverse impact has occurred or is likely to occur, then this issue shall be raised with both the Post Office HNG-X Programme Manager and the Fujitsu Services' HNG-X Programme Manager for

**CONFIDENTIAL**

resolution and such impact shall be assessed via the mechanisms described in paragraph 13.1.

- 5.4.5 This participative approach will recognise the respective and overriding roles and responsibilities of Post Office (in terms of HNG-X Requirements Assurance) and of Fujitsu Services (in terms of solution definition, build and implementation) in this process.

**6. DEVELOPMENT**

- 6.1 Fujitsu Services will develop the components of the solution using a combination of “waterfall”, iterative and prototyping development methods as appropriate to the component or sub-system being created. In general:

- 6.1.1 the “waterfall” approach will typically be used for retained “legacy” in the Data Centre and those components that are related to the internal workings of the solution (not business/user visible);
- 6.1.2 iterative methods will typically be used to deliver subsets of business functionality earlier in the lifecycle (to support incremental testing); and
- 6.1.3 prototyping will typically be deployed where the requirements are not clearly understood or where Fujitsu Services and Post Office jointly agree that this is the correct approach for the creation of a particular aspect of the system.

Fujitsu Services will agree with Post Office, such agreement not to be unreasonably withheld, which development method will be used for each sub-system or component of the solution.

- 6.2 Fujitsu Services will act in accordance with the Fujitsu Services “Solution Framework” methodologies, as enhanced by the Fujitsu Services team to support the needs of the development stream and this will be captured in revisions to the Working Document “Development Strategy for HNG-X” (DEV/MGT/STG/0001), which will be shared with Post Office. Decisions on which development tooling and development methodologies are to be used will be driven out of the programme and implemented within the project lifecycle as indicated by Level 2 key milestones in the HNG-X Programme Plan.
- 6.3 Each Party shall comply with its obligations set out in Annex 2 to this Schedule with regard to the HNG-X Development.
- 6.4 Fujitsu Services shall provide a measurement mechanism which can be used to estimate the functional size and complexity of software components and which can be used to estimate the functional size and complexity of future software changes.



**CONFIDENTIAL**

6.5 In accordance with agreed Work Order(s), Fujitsu Services shall support Post Office in activities necessary for Post Office to achieve:

6.5.1 certification, accreditation or assurance with its Clients or other third parties; and

6.5.2 re-certification or re-accreditation with its Clients or other third parties.

6.6 Fujitsu Services shall allow Post Office training development staff access to the pre-release solution as it becomes available, to facilitate the development by Post Office of accurate training material.

**7. TESTING**

7.1 Project HNG-X will follow a jointly developed, jointly agreed testing strategy that has been created to exploit the benefits of the re-engineered solution to be delivered by a service oriented architecture (as that term is described in the Solution Architecture) and an object oriented development approach. From the agreed testing strategy, revisions to the generic testing processes will be drawn. The approach will re-balance the testing lifecycle to strengthen the earlier stages of testing and thus reduce the risk of significant issues emerging in the later stages. To ensure that each stage of testing delivers the appropriate contribution to the programme it is important to establish and manage the commencement (trends, stability, readiness) and completion (coverage, completeness, closure) criteria for each testing stage.

7.2 Each test stage will have associated, documented quality gates (QGs) that will support the readiness review process to decide whether it is appropriate to enter or leave the stage of testing to which the QGs relate. The entry QG will be based on objective entry criteria, drawn from generic checklists, to support the assessment of readiness, timeliness, worth and risk.

7.3 Independent testing of the solution will be carried out by a jointly resourced and managed team where each organisation takes leadership of an individual test stage as agreed between the Parties. The scheduling of tests shall take account of, and be consistent with, the HNG-X Acceptance Plan.

7.4 The Parties will use reasonable endeavours to jointly agree, by the touchpoint in the HNG-X Programme Plan entitled "HNG-X Testing Approach Agreed", such agreement not to be unreasonably withheld, a CCD entitled "Testing Approach for HNG-X" (TST/GEN/STG/0002) which will define the joint approach to be used for testing. Such CCD will be based on the then current version of the Working Document "HNG-X Testing Strategy", the version at the date of signature of CCN1200 being version 1.0 (March 2006).

**8. ACCEPTANCE**

The HNG-X Acceptance Process will be managed in accordance with Schedule B6.3 by the respective HNG-X Acceptance Managers of Post Office and Fujitsu Services for the period to HNG-X Initial Acceptance and by the Post Office

## CONFIDENTIAL

Acceptance Manager and Fujitsu Services Post Office Account service management team for the period from HNG-X Initial Acceptance to HNG-X Final Acceptance.

**9. HNG-X PROGRAMME PLAN**

9.1 Fujitsu Services shall maintain the HNG-X Programme Plan for the fulfilment of its obligations under this Agreement in relation to Project HNG-X and the Associated Change Activities.

9.2 The HNG-X Programme Plan maintained by Fujitsu Services shall comprise three Levels. The Level 2 elements of the HNG-X Programme Plan, as at the date of signature of CCN1246, are set out in Part 2 of Annex 1 to Schedule B5.

9.3 The Level 3 elements of the HNG-X Programme Plan shall be at a level of detail equivalent to those elements described as such in Annex 1 to this Schedule (this is included for illustrative purposes only).

9.4 Within eight Working Days of the start of each Planning Period following the date of signature of CCN 1200, Fujitsu Services shall issue a revised version of the HNG-X Programme Plan which shall contain:

9.4.1 the Tasks required for completion of Project HNG-X and the Associated Change Activities;

9.4.2 until 31st October 2006, the Level 3 elements of the HNG-X Programme Plan associated with such FS Tasks as are scheduled to take place up to 30<sup>th</sup> November 2006;

9.4.3 from 1<sup>st</sup> November 2006, the Level 3 elements of the HNG-X Programme Plan required for completion of Project HNG-X and those Level 3 elements that are recorded in the HNG-X Programme Plan that are related to the Associated Change Activities; and

9.4.4 the milestone dates for Post Office Tasks and, so far as reasonably practicable, Post Office's other obligations under this Agreement, on which the commencement or completion of an FS Task is dependent (a "Development Dependency").

Any revised version of the HNG-X Programme Plan issued pursuant to this paragraph shall only become effective in accordance with the terms of paragraph 13.

9.5 In respect of each version of the HNG-X Programme Plan provided in accordance with paragraph 9.4, each Level 3 element on the HNG-X Programme Plan to be performed by Fujitsu Services:

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- 9.5.1 having a deliverable to be produced as a result of that element, shall have a summary description of that deliverable; and
- 9.5.2 if related to HNG-X Development, shall have a HNG-X T&M Budget associated with it.
- 9.6 Fujitsu Services shall complete each of its Tasks, using its reasonable endeavours to do so by the date shown for the completion of that Task in the HNG-X Programme Plan.
- 9.7 Post Office shall achieve each of its Development Dependencies, using its reasonable endeavours to do so by the date shown for the achievement of that Development Dependency in the HNG-X Programme Plan.
- 9.8 The initial version of the HNG-X Programme Plan at Level 2 (as set out in Part 2 of Annex 1 to Schedule B5) will be baselined at the date of signature of CCN 1246 such that any changes to costs, effort and timescales can be managed in accordance with this Schedule B6.2.
- 9.9 Part 1 of Annex 1 to Schedule B5 (excluding the diagram) contains references to certain dates in the initial version of the HNG-X Programme Plan for the key milestones and touchpoints between Fujitsu Services and Post Office or third parties for the delivery of Project HNG-X and the Associated Changes.
- 10. **REPORTING AND OBLIGATIONS IF DELAY OCCURS**
- 10.1 From the date of signature of CCN 1200, Fujitsu Services shall report to Post Office in respect of each Planning Period its progress in achieving its Tasks set out in the HNG-X Programme Plan for that Planning Period and on its management of the work set out in that plan, such reporting to include earned value analysis.
- 10.2 Fujitsu Services shall report to Post Office in accordance with paragraph 10.1 not later than the eighth Working Day after the end of the Planning Period to which the report relates.
- 10.3 From the date of signature of CCN 1200, Post Office shall report to Fujitsu Services in respect of each Planning Period its progress in achieving the Development Dependencies for that Planning Period and on its management of the work relating to those Development Dependencies.
- 10.4 Post Office shall report to Fujitsu Services in accordance with paragraph 10.3 not later than the fifth Working Day after the end of the Planning Period to which the report relates.
- 10.5 If at any time an FS Task has not been, or Fujitsu Services forecasts that it may not be, started or completed by the date set for that event in the HNG-X Programme Plan, Fujitsu Services shall notify Post Office forthwith and shall



## CONFIDENTIAL

provide a report to Post Office with a red, amber, green colour coding system ("RAG Report") to highlight that FS Task.

- 10.6 If at any time a Development Dependency has not been, or Post Office forecasts that it may not be, achieved by the date set for that Development Dependency in the HNG-X Programme Plan, Post Office shall notify Fujitsu Services forthwith and shall provide a RAG Report to Fujitsu Services to highlight that Development Dependency.
- 10.7 If at any time an FS Task has a change in the effort required for its completion based on the effort for that event in the HNG-X Programme Plan, Fujitsu Services shall notify Post Office forthwith and shall provide a RAG Report to highlight FS Tasks for which the effort has changed. Any change to the effort required for completion of an FS Task will only take effect in the HNG-X Programme Plan in accordance with paragraph 13.1.
- 10.8 If a failure or delay to carry out (a) an FS Task or (b) a Level 3 element set out in the HNG-X Programme Plan to be performed by Fujitsu Services:
- 10.8.1 affects (a) any key milestone or touchpoint referred to in paragraph 9.9 or (b) any Development Dependency (in both cases as set out in or derived from the HNG-X Programme Plan), Fujitsu Services shall as soon as reasonably practicable provide proposals to mitigate the failure or delay; or
- 10.8.2 does not affect (a) any key milestone or touchpoint referred to in paragraph 9.9 or (b) any Development Dependency (in both cases as set out in or derived from the HNG-X Programme Plan), Fujitsu Services shall take such action as is necessary to mitigate the failure or delay and shall report such action to Post Office in accordance with paragraph 10.1.

Any proposal provided by Fujitsu Services under paragraph 10.8.1 shall be agreed with Post Office before it is implemented.

- 10.9 If there is a failure or delay to (a) achieve a Development Dependency or (b) carry out a Level 3 element set out in the HNG-X Programme Plan to be performed by Post Office, Post Office shall take such action as is necessary to mitigate the failure or delay and shall report such action to Fujitsu Services in accordance with paragraph 10.3.

## 11. BUDGET REPORT AND SUPPORTING INFORMATION FOR INVOICES

- 11.1 Fujitsu Services shall provide together with the reports to be provided under paragraph 10.1:
- 11.1.1 a report in spreadsheet form providing, in respect of HNG-X Development work only, the amount invoiced or due to be invoiced up to the end of the Planning Period to which the report relates, an estimate of

## CONFIDENTIAL

Fujitsu Services Charges to completion of HNG-X Development and the aggregate HNG-X T&M Budget at such completion, together with an assessment of Gain Share which may be payable and/or a comparison of the figures given in the report against the Lower Target Price, Upper Target Price, Soft Cap and/or Hard Cap, in each case in accordance with the provisions of Schedule D8; and

11.1.2 a document setting out for the invoicing period to which the reports relate supporting information giving, in respect of each Level 3 element identified in the HNG-X Programme Plan to be performed by Fujitsu Services during that invoicing period, details of the number of hours worked by each grade of resource in respect of that Level 3 element.

11.2 The format of the reports and supporting information to be provided in accordance with paragraphs 10.1, 10.3 and 11.1, shall be agreed by the Parties, such agreement not to be unreasonably withheld.

## 12. **CONTRACTOR PERSONNEL**

12.1 From the date of signature of CCN 1200 until the HNG-X Initial Acceptance Date, Fujitsu Services shall supply (and update when changes occur) the name, job title, project role and grade for those Fujitsu Services personnel working on HNG-X Development including those personnel that are off-shored.

12.2 From the date of signature of CCN 1200 until the HNG-X Initial Acceptance Date, Fujitsu Services shall produce organisational charts showing Fujitsu Services personnel working on HNG-X Development including those personnel that are off-shored. Fujitsu Services shall provide revised versions of those charts to Post Office when there are material changes to them.

## 13. **CHANGING THE HNG-X PROGRAMME PLAN**

13.1

Changes to scheduling of, or the effort required for, Tasks or Development Dependencies that the Parties consider will not cause the 108.5 Band to be exceeded and to which paragraph 13.5 does not apply shall require the written agreement of both Parties at HNG-X Authority Level 1 (such agreement not to be unreasonably withheld by either Party) and shall take effect immediately upon that written agreement. Changes to scheduling of, or the effort required for, Tasks or Development Dependencies that the Parties consider will cause the 108.5 Band to be exceeded and to which paragraph 13.5 does not apply shall be dealt with under the Change Control Procedure. All changes that impact any of the dates set out in the HNG-X Programme Plan for any of the key milestones and touchpoints listed in Part 1 of Annex 1 to Schedule B5 (excluding the diagram) will be managed under the Change Control Procedure. The Parties agree that Part 1 of Annex 1 to Schedule B5 need not be updated to reflect changes made subsequently to the HNG-X Programme Plan and that the HNG-X Programme Plan shall have precedence over the dates in that Annex.

13.1.1 Without prejudice to the generality of paragraph 13.1 and subject to that paragraph, in order to manage (after the date of signature of CCN1246) any

## CONFIDENTIAL

further increases in the chargeable man day estimates provided by Fujitsu Services to complete the HNG-X Development and/or Associated Change Development:

(a) Fujitsu Services HNG-X Programme Director shall notify Post Office HNG-X Programme Manager in writing of any change in the aggregate number of man days budgeted (as chargeable to Post Office) to complete the HNG-X Development or Associated Change Development ("a man-day change");

(b) In relation to any such man-day change of 20 days or less, Post Office shall be deemed to have approved such change unless it notifies Fujitsu Services within 2 working days of receipt (unless such man-day change coupled with all other man-day changes in that month exceeds 100 man-days);

(c) for any man-day change not within sub-paragraph (b) above, the Fujitsu HNG-X Programme Director and the Post Office HNG-X Programme Manager shall promptly meet to agree in writing the approach to be taken in relation to such proposed change;

(d) all man-day changes within a calendar month will be discussed at a monthly meeting to be combined with the last Joint Supply Board of each month.

13.2 If the Parties fail to reach agreement at HNG-X Authority Level 1 on a change of the type described in the first sentence of paragraph 13.1, the dispute shall be referred to HNG-X Authority Level 2. If the Parties fail to reach such agreement at HNG-X Authority Level 2, the dispute shall be referred for resolution at the Executive Review level of the DRP and if not resolved shall (unless the Parties agree otherwise) be escalated further in accordance with the DRP.

13.3 Fujitsu Services shall be entitled at its discretion to reschedule the Level 3 elements of the HNG-X Programme Plan within the period bounded by the start and completion dates for the associated Task in the HNG-X Programme Plan.

13.4 Failure to complete a Task due to Fujitsu Services' Default

13.4.1 To the extent that a failure by Fujitsu Services to carry out an FS Task by the completion date for that Task in the HNG-X Programme Plan is due to a Default of Fujitsu Services, then:

13.4.1.1 Fujitsu Services shall not be entitled to extend the period for the completion of that FS Task or revise the HNG-X T&M Budget for that FS Task without the agreement of Post Office in accordance with the provisions of paragraph 13.1; and

13.4.1.2 the cost of preparing reports and proposals and taking any mitigating action in accordance with paragraph 10 shall be borne by Fujitsu Services.



## CONFIDENTIAL

13.4.2 To the extent that a failure by Post Office to achieve a Development Dependency by the achievement date for that Development Dependency in the HNG-X Programme Plan is due to a Default of Fujitsu Services, then:

13.4.2.1 if the Development Dependency is not achieved by the date specified for that Development Dependency in the HNG-X Programme Plan, the period for achieving that delayed Development Dependency shall be extended by the period reasonably necessary for that Development Dependency to be achieved, taking into account:

- (a) whether the reasons for delay, to the extent they can be identified, are likely to continue to cause delay;
- (b) the availability of appropriate resources (both existing Post Office resources and any available to Post Office to buy in);
- (c) the nature of the Development Dependency to be achieved; and
- (d) other Development Dependencies which have not yet been achieved,

provided that Post Office shall use reasonable endeavours to redeploy any resources allocated to achieve that Development Dependency throughout the period of delay so as to minimise that period of extension;

13.4.2.2 the length of the time extensions to Development Dependencies in accordance with paragraph 13.4.2.1 shall require written agreement at HNG-X Authority Level 1 (such agreement not to be unreasonably withheld by either Party) and shall take effect immediately subject to written confirmation at HNG-X Authority Level 2 (which shall be given or refused within one week of such agreement);

13.4.2.3 if the Parties fail to reach such agreement at HNG-X Authority Level 1 or HNG-X Authority Level 2, for the purposes of establishing the effective ongoing HNG-X Programme Plan, Fujitsu Services shall be entitled to determine on the basis of and taking into account the factors set out in paragraph 13.4.2.1 the amount of time by which each delayed Development Dependency shall be extended. Post Office shall work to that revised HNG-X Programme Plan but shall be entitled to seek a further extension of time for such Development Dependencies through the dispute resolution process referred to in paragraph 13.4.2.4; and

13.4.2.4 Disputes as to:

CONFIDENTIAL

- (a) whether or to what extent a Default by Post Office or some other failure has caused a Development Dependency to be delayed; or
- (b) the amount by which the time for a Development Dependency should be extended,

shall be referred for resolution at the Executive Review level of the DRP and if not resolved shall (unless the Parties agree otherwise) be escalated further in accordance with the DRP.

13.5 Failure to complete a Task not due to Fujitsu Services' Default

13.5.1 The provisions of this paragraph 13.5 shall only apply if and to the extent that a failure by Fujitsu Services to carry out an FS Task by the completion date for that FS Task in the HNG-X Programme Plan is due to a failure by Post Office or any of its agents or sub-contractors to (i) achieve any Development Dependencies by the date shown for the achievement of them set out in the HNG-X Programme Plan, or (ii) fulfil its other obligations under this Agreement, provided that Fujitsu Services notified Post Office of its failure to fulfil that obligation and its effect on Fujitsu Services' ability to perform the FS Task.

13.5.2 If an FS Task is not completed by the date specified for that FS Task in the HNG-X Programme Plan, the period for completing that delayed FS Task shall be extended by the period reasonably necessary for that FS Task to be completed, taking into account:

- (a) whether the reasons for delay, to the extent they can be identified, are likely to continue to cause delay;
- (b) the availability of appropriate resources (both existing Fujitsu Services resources and any available to Fujitsu Services to buy in);
- (c) the nature of the FS Task to be completed; and
- (d) other FS Tasks which remain incomplete,

provided that Fujitsu Services shall use reasonable endeavours to redeploy any resources allocated to that FS Task throughout the period of delay so as to minimise that period of extension.

13.5.3 Fujitsu Services shall revise the HNG-X T&M Budget for completing each of its delayed FS Tasks to the extent reasonably necessary to reflect:

- (a) any additional work required; and/or

CONFIDENTIAL

(b) additional resource required to be allocated to that FS Task,

for it to be completed within the period of extension described in paragraph 13.5.2, provided that Fujitsu Services shall use reasonable endeavours to redeploy any resources allocated to that FS Task throughout the period of delay.

13.5.4 The length of the time extensions to FS Tasks in accordance with paragraph 13.5.2 shall require written agreement at HNG-X Authority Level 1 (such agreement not to be unreasonably withheld by either Party) and shall take effect immediately subject to written confirmation at HNG-X Authority Level 2 (which shall be given or refused within one week of such agreement).

13.5.5 If the Parties fail to reach such agreement at HNG-X Authority Level 1 or HNG-X Authority Level 2, for the purposes of establishing the effective ongoing HNG-X Programme Plan, Post Office shall be entitled to determine on the basis of and taking into account the factors set out in paragraph 13.5.2 the amount of time by which each delayed FS Task shall be extended. Fujitsu Services shall work to that revised HNG-X Programme Plan but shall be entitled to seek a further extension of time for such FS Tasks through the dispute resolution process referred to in paragraph 13.5.6.

13.5.6 Disputes as to:

- (a) whether or to what extent a Default by Fujitsu Services or some other failure has caused an FS Task to be delayed;
- (b) the amount by which the time for an FS Task should be extended; or
- (c) the increase (if any) to the HNG-X T&M Budget to reflect the additional work or resource required to complete a delayed or extended FS Task,

shall be referred for resolution at the Executive Review level of the DRP and if not resolved shall (unless the Parties agree otherwise) be escalated further in accordance with the DRP.

13.6 Notwithstanding anything to the contrary in Clauses 57 and 68, written agreements and confirmations referred to in paragraphs 13.1 to 13.5 may be effected by written agreement including, without limitation, email exchange or agreed meeting minutes.



CONFIDENTIAL

**14. OFFSHORE DEVELOPMENT****14.1 Appointment and Induction of Offshore Development Partner**

14.1.1 Fujitsu Services has appointed Zensar Technologies UK Limited as an HNG-X Sub-contractor, in the role of offshore development partner (the "Offshore Development Partner"). This paragraph 14 sets out the circumstances in which Fujitsu Services may use the Offshore Development Partner, its management of the Offshore Development Partner and Post Office's role in that process. It is without prejudice to Fujitsu Services obligations under Clause 58.2.

14.1.2 Fujitsu Services will agree the appointment, by the Offshore Development Partner, of a Fujitsu Services' Offshore Project Manager and a Fujitsu Services' Offshore Design Authority to oversee the Offshore Development Partner's contribution to HNG-X Development work. These appointments will be notified to Post Office by Fujitsu Services as soon as reasonably practicable.

14.1.3 Fujitsu Services will ensure that the Fujitsu Services' Offshore Project Manager and the Fujitsu Services' Offshore Design Authority appointed by the Offshore Development Partner have a full understanding of both the technical solution proposed and the business environment within Post Office sufficient to fulfil Fujitsu Services' obligations in respect of offshore activities.

14.1.4 The Fujitsu Services' Offshore Project Manager and the Fujitsu Services' Offshore Design Authority will ensure that such induction information is communicated within the Offshore Development Partner's teams through mandatory briefings and a record will be maintained to demonstrate all individuals have received this communication. Post Office will agree the content of this communication in advance, such agreement not to be unreasonably withheld.

14.1.5 The Parties will agree Post Office's involvement in the activities, including any support to be provided to Fujitsu Services, set out in paragraphs 14.1.3 and 14.1.4, such agreement not to be unreasonably withheld by either Party.

**14.2 Use of Offshore Development Partner**

14.2.1 Fujitsu Services will propose which components of the solution are to be produced offshore on a case-by-case basis and which aspects of development (design, development, test) are to be produced by the Offshore Development Partner. Fujitsu Services shall provide reasonable notice to Post Office to consider such proposals and shall seek Post

## CONFIDENTIAL

Office agreement to these proposals before they are implemented, such agreement not to be unreasonably withheld. The decision to offshore the development of a component will be based on information that will include architectural considerations, skills availability, development knowledge, support constraints and security measures.

- 14.2.2 Before Fujitsu Services proposes to Post Office, pursuant to paragraph 14.2.1, that any HNG-X Development work be undertaken by the Offshore Development Partner, Fujitsu Services shall, at no cost to the Post Office, carry out an assessment of the potential risks involved in such work being undertaken offshore by the Offshore Development Partner. Such assessment shall consider any potential risks arising from the physical, logical and management security standards to be followed by the Offshore Development Partner in undertaking such work.
- 14.2.3 Fujitsu Services shall disclose to Post Office (a) the results of the assessment referred to in paragraph 14.2.2 and (b) details of the processes, procedures, systems and controls it has or intends to put in place to address the risks identified in that assessment. The commencement of any offshore HNG-X Development work by the Offshore Development Partner shall be conditional on Post Office confirming to Fujitsu Services that it is satisfied with such assessment and such processes, procedures, systems and controls.
- 14.2.4 Fujitsu Services will enter into contractual arrangements with the Offshore Development Partner that will entitle it to require the Offshore Development Partner to put in place the following security measures in respect of any HNG-X Development work undertaken by it offshore:
- (a) physically isolating the Offshore Development Partner's development environment for HNG-X Development from other areas, with access restricted to only those resources of the Offshore Development Partner who are carrying out such activities; and
  - (b) isolating the Offshore Development Partner's networks for such development environment from other areas and other networks including data security, network security, server security, document security and web security.

As a result of an assessment conducted pursuant to paragraph 14.2.2 or otherwise, the Parties may agree in writing that the Offshore Development Partner implement the measures referred to in this paragraph in relation to HNG-X Development work. As part of any such agreement, the Parties shall also agree any additional charges to be paid by Post Office for those measures, such charges to reflect any additional costs incurred by the Offshore Development Partner in implementing those measures.

## CONFIDENTIAL

- 14.2.5 Fujitsu Services shall be responsible for ensuring that the Offshore Development Partner implements and observes any security measures disclosed to Post Office pursuant to paragraph 14.2.3 (to the extent they are relevant to the Offshore Development Partner) or agreed by the Parties pursuant to paragraph 14.2.4. Other than as referred to in paragraph 14.2.4, the cost of such security measures shall be borne by Fujitsu Services.
- 14.2.6 The requirements for the components of the solution that are to be developed offshore will be passed to the Offshore Development Partner under the control of the Fujitsu Services' 'Requirements and Acceptance' team, in accordance with established Project HNG-X practice. The Fujitsu Services' Offshore Design Authority will actively participate in the review, interpretation and assurance of these requirements. Fujitsu Services will arrange reviews involving the Fujitsu Services Design Authority, the Fujitsu Services' Offshore Design Authority and the Post Office Design Authority where it believes significant clarification or better understanding of an HNG-X Requirement is needed. Post Office may request Fujitsu Services to arrange such a review if it reasonably believes a review to be necessary for specific HNG-X Requirements.
- 14.2.7 The independent testing stages of Project HNG-X will be supported by the Offshore Development Partner's personnel working on and offshore and it is anticipated that there will be regular contact with the joint Post Office and Fujitsu Services testing team with respect to offshore developed technology where this touches the business/user environment. A series of two way visits is envisaged.

**14.3 Programme Management of Offshore development**

- 14.3.1 Fujitsu Services has appointed the Fujitsu Services Project Manager, who is a senior project management professional, to oversee the relationship with the Offshore Development Partner to ensure that synergy with the programme is maintained and pro-actively managed. The Fujitsu Services Project Manager will ensure all risks associated with the offshore development are managed, such risks and their associated action plans to be shared with Post Office.
- 14.3.2 Offshore activities will be included within the HNG-X Programme Plan (Levels 1, 2 and 3) and weekly time recording will be supported within Fujitsu Services' standard RTR toolset, in accordance with agreed reporting processes for Project HNG-X. Offshore activities will be included within Project HNG-X reporting in accordance with this Schedule B6.2.
- 14.3.3 Fujitsu Services will hold all offshore generated artefacts within the nominated repositories for Project HNG-X and knowledge share will be

## CONFIDENTIAL

supported by the continued involvement of offshore staff within their respective programme communities (design, development and test).

14.3.4 Fujitsu Services will ensure that all risks and issues that originate or are identified offshore are managed through the appropriate programme registers and processes. Such risks and issues will be made visible to Post Office who will be invited to participate in their resolution.

14.3.5 Fujitsu Services will work with the Offshore Development Partner to put in place measures, equivalent to those set out at Clause 41 (Fujitsu Services Key Personnel) of this Agreement, aimed at ensuring that the Fujitsu Services' Offshore Project Manager and the Fujitsu Services' Offshore Design Authority are retained as key personnel.

14.3.6 For the avoidance of doubt, the Offshore Development Partner's compliance with the provisions of this paragraph 14 and its performance of any of Fujitsu Services' obligations under this Agreement shall be subject to the same rights of audit as if those obligations were performed by Fujitsu Services and Fujitsu Services shall ensure that the Offshore Development Partner maintains Records and cooperates with, and provides assistance and information in relation to, any audit, in each case in accordance with Clause 25 (Audit).

## 15. ASSOCIATED DOCUMENTS

15.1 The following CCDs are associated with this Schedule B.6.2:

	Document Reference	Document Title
	REQ/CUS/BRS/0001	Postal Services Business and Operational Context
	TST/GEN/STG/0002	Testing Approach for HNG-X

15.2 There are no CRDs associated with this Schedule B6.2.

CONFIDENTIAL

**ANNEX 1**

**HNG-X PROGRAMME PLAN: LEVEL 3 ELEMENTS**

**(For illustrative purposes only) For the avoidance of doubt, the latest agreed plan is at Schedule B5 Annex 1 Part 2.**



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**ANNEX 2****DEVELOPMENT RULES****DEFINITIONS**

For the purposes of this Annex only, the following terms shall have the following meanings:

Clean Room	means the separate operational environment where the Clean Room Team will work during the development lifecycle for production of the Clean Room Outputs;
Clean Room Outputs	means the UI and CSRDE outputs for the HNG-X business application developed by Fujitsu Services in the Clean Room;
Clean Room Rules	means the set of operational processes and practices used by the Clean Room Team to work on the Clean Room Outputs as set out in Section C of this Annex;
Clean Room Team	means all individuals engaged on Project HNG-X by Fujitsu Services who are based in the Clean Room;
Fujitsu Filter Team	means the identified individuals in the General Development Team (and outside the Clean Room) responsible for the interface with the Clean Room Team;
General Development Team	means all individuals engaged on Project HNG-X by Fujitsu Services who are involved in the creation or use of IPR; and
General Development Team Rules	means the rules set out in Section B of this Annex.



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**SECTION A: GENERAL****1. BACKGROUND**

- 1.1 Fujitsu Services does not intentionally engage in the production of software or systems which unlawfully copy the proprietary works of others. Nor does it intentionally misuse confidential information to assist such production.
- 1.2 In addition Fujitsu Services takes appropriate steps to ensure the potential risk of inadvertent copying of proprietary works is minimised.
- 1.3 As a result of Post Office's business decisions not to continue using the parts of the current Horizon systems from Fujitsu Services' existing subcontractor there is a possibility that Fujitsu Services will be required to produce evidence that the replacement software did not benefit either from the unlawful copying by Fujitsu Services of proprietary material or the misuse of third party confidential information.

**2. APPROACH**

- 2.1 This document sets out the approach agreed between Fujitsu Services and Post Office:
  - 2.1.1 to control the risk of infringement of third party rights during the development of HNG-X; and
  - 2.1.2 to enable Fujitsu Services to demonstrate that Fujitsu Services design and code outputs are based upon the HNG-X Requirements not the unlawful copying or misuse by Fujitsu Services of third party rights in existing systems.
- 2.2 The use of the Clean Room is to produce Clean Room Outputs based only on the Post Office's HNG-X Requirements and not created as a result of any unlawful copying or misuse by Fujitsu Services of third party rights in existing systems.
- 2.3 Post Office acknowledges that it has a role to play to assist Fujitsu Services in avoiding the risk of infringement of that third party IPR and Section D of this Annex sets out details of the actions and responsibilities of Post Office in this respect.
- 2.4 The rules applicable to the Clean Room are not intended to replace those applicable to the General Development Team. The General Development Team Rules shall unless modified by the Clean Room Rules also apply to the Clean Room Team.
- 2.5 Neither the Clean Room Rules nor the General Development Team Rules shall replace Fujitsu Services' other applicable general development or quality assurance obligations. Rather the Clean Room Rules and the General Development Team Rules are intended to bring specific focus and awareness in

CONFIDENTIAL

areas where these need to be modified or augmented to meet identified risks of IPR infringement.

**3. SCOPE**

- 3.1 The Parties have agreed that where there are real risks of actual IPR infringement Fujitsu Services shall put in place a system where part of its team (the "Clean Room Team") will work in isolation to prevent such infringement.
- 3.2 For the purpose of this Annex the additional rules applicable to the Clean Room Team are called the Clean Room Rules.

**SECTION B: GENERAL DEVELOPMENT TEAM RULES**

**4. GENERAL**

- 4.1 These rules apply to all of the activities undertaken by Fujitsu Services for Post Office involving the creation or use of IPR.
- 4.2 General Development Team shall not use, copy or adapt (from any other programming language) or reverse engineer any third party proprietary software or software tool (and its related documentation) unless they have first satisfied themselves that:
  - 4.2.1 they know the origin of the same; and
  - 4.2.2 Fujitsu Services is licensed or otherwise authorised to make use of such IPR in this way.
- 4.3 For the avoidance of doubt in respect of the General Development Team there shall be no separation physical or functional outside the Clean Room of ongoing maintenance and other work in respect of Horizon and the development of HNG-X.

**5. INDIVIDUALS ENGAGED**

- 5.1 Members of the General Development Team (other than the Clean Room Team) may have background knowledge of Horizon and access to Horizon code and Escher APIs.
- 5.2 All members of the General Development Team shall have been briefed appropriately on the General Development Team Rules and of the need to ensure that all contact with the Clean Room Team is through the Fujitsu Filter Team.
- 5.3 Adherence by the General Development Team to the General Development Team Rules shall be through normal supervision by Fujitsu Services line management.

CONFIDENTIAL

## **6. RECORDS**

The General Development Team shall maintain such records as are required through its normal development procedures and good industry practice.

## **7. AUDIT AND COMPLIANCE**

- 7.1 Fujitsu Services will implement appropriate controls to check compliance with the General Development Team Rules through its management organisation.
- 7.2 Compliance with the General Development Rules and the Clean Room Rules shall be subject to the standard Fujitsu Services' company quality audit procedure.

## **8. CHANGES TO THE GENERAL DEVELOPMENT TEAM RULES**

Fujitsu Services shall retain the ability to control changes to the General Development Team Rules and to modify and update such General Development Team Rules provided any such changes are good industry practice.

### **SECTION C: CLEAN ROOM RULES**

## **9. IDENTIFYING THE NEED FOR A CLEAN ROOM PROCESS**

- 9.1 Fujitsu Services does not intend to unlawfully copy third party proprietary material included in the existing Horizon system or otherwise.
- 9.2 To ensure that this is not done inadvertently and to assist in proving that the development of HNG-X took place lawfully Fujitsu Services shall ensure that work or parts of work needed to create certain HNG-X elements are performed by Fujitsu Services under Clean Room Rules by a separate development team located in a Clean Room with inputs and outputs suitably monitored and recorded.
- 9.3 In order to avoid any infringement or risk of infringement the following elements of the project need to be created in the separate environment to which these Clean Room Rules shall apply:

### **A. Work to create UI Clean Room Outputs**

- UI Construct Catalogue to create new constructs defined by UI Clean Room Team;
- UI Prototypes for use in Usability Trials;
- HNG-X Style Guide being the final formal documentation of UI Clean Room Outputs; and

CONFIDENTIAL

**B. Work to create CSRDE Clean Room Outputs**

- Carrier Services technical data model, including schema, to meet the Postal Services Requirements;
- CSRDT;
- the design of the user interface for using the CSRDT; and
- the design and prototype of the code to access the CSRDE from the Postal Services Functional Requirements.

9.4 The Parties will jointly keep under review through the governance arrangements set out in Schedule A2 and the Change Control Procedure and Work Ordering Procedure the risks of infringement of any other aspects or third party rights and the action required including the creation of Clean Room conditions for such additional elements.

**10. CLEAN ROOM TEAM**

- 10.1 Fujitsu Services shall make arrangements for the creation at a location physically separated from its main development team of a group (initially eight to ten people) who will be responsible for creating the UI and CSRDE Clean Room Outputs.
- 10.2 Fujitsu Services shall ensure that the development personnel in the Clean Room Team are selected by Fujitsu Services so as to avoid the use of individuals with prior knowledge of any relevant third party materials and software. For the HNG-X UI Clean Room process Fujitsu Services shall select only those personnel who have not had significant experience of, or any access to the source materials of, the existing Horizon UI. For the CSRDE Clean Room process, Fujitsu Services shall select only those personnel who have not had significant experience of, or any access to the source materials of, the existing Escher Mails data editor. Members of the Clean Room Team shall be requested to confirm that they have not had such experience or access.
- 10.3 After their selection, Fujitsu Services shall ensure that the Clean Room Team shall not have any access to any relevant third party materials and software used in the Horizon system. For the HNG-X UI Clean Room process, Fujitsu Services shall ensure that the relevant personnel shall continue not to have access to the source materials of the existing Horizon UI. For the CSRDE Clean Room process, Fujitsu Services shall ensure that the relevant personnel shall continue not to have access to the existing Escher Mails data editor.
- 10.4 Fujitsu Services shall ensure that members of the Clean Room Team do not have knowledge of or access to any relevant Escher materials and software (including the source materials) and that they do not attempt to obtain such knowledge or access.



**CONFIDENTIAL**

- 10.5 Fujitsu Services shall restrict access by Clean Room Team to personnel outside of the Clean Room whether in General Development Team or elsewhere that might have such knowledge or materials so that the isolation of the Clean Room Team does not become ineffective.
- 10.6 Fujitsu Services shall make and keep suitable records of the input of information software and materials to the Clean Room.
- 10.7 Each member of the Clean Room Team shall be responsible for keeping suitable personal records of their Clean Room activity.

**11. FUJITSU FILTER TEAM**

- 11.1 Communication with the Clean Room Team shall be via a nominated set of individuals (the "Fujitsu Filter Team") external to the Clean Room Team who shall be responsible for recording and vetting of inputs to the Clean Room Team.
- 11.2 All communication between the Clean Room Team and either Post Office or the remainder of the HNG-X development team shall be controlled by a Fujitsu Filter Team. The responsibility of the Fujitsu Filter Team is to ensure that the terms of reference for the Clean Room Team are not inadvertently compromised by the inputs to it.
- 11.3 The Fujitsu Filter Team consists of a senior technical manager appointed by the Fujitsu Services' HNG-X Programme Manager along with one or more assistants. The Fujitsu Filter Team is part of the HNG-X project team outside the Clean Room Team, and is responsible for the following:
  - 11.3.1 Production of the Terms of Reference for the UI and Postal Services (CSRDE) Clean Room Teams, including synopsis / contents list for the UI Style Guide, Counter Architecture and Interfaces;
  - 11.3.2 Identification of individual Process Steps from the sample Post Office Business Use Cases for prototyping of UI scenarios and CSRDE specific Process Steps;
  - 11.3.3 Recording and review of other Post Office and Fujitsu Services' inputs to the Clean Rooms;
  - 11.3.4 Communicating any Fujitsu Services feedback to the Clean Room Team and ensuring any feed back provided to the Clean Room Team relates only to the above referenced inputs to the Clean Room and not to replication of existing systems;
- 11.4 The Fujitsu Filter Team shall also raise any issues of concern, or refer any such issues raised by the Clean Room Team to Fujitsu Services' legal advisers.

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- 11.5 All feedback correspondence originating from Fujitsu Services or Post Office should include an identifier which clearly identifies the correspondence as containing feedback intending to lead to a change in the outputs of the Clean Room Team.
- 11.6 Fujitsu Services shall from time to time inform Post Office of the members of the Fujitsu Filter Team and shall promptly upon each change to the Fujitsu Filter Team personnel inform Post Office of that change.

**SECTION D: RELATED POST OFFICE OBLIGATIONS**

- 12.1 Post Office shall prepare its HNG-X Requirements in a format that where reasonably possible avoids dictating a specific solution or design which in the reasonable opinion of Post Office might infringe third party IPR.
- 12.2 Post Office shall as soon as reasonably practicable respond to reasonable requests for information from Fujitsu Services aimed at establishing the bona fides of any source of its HNG-X Requirement.
- 12.3 Post Office shall ensure that all its inputs for the Clean Room Team are submitted via the Fujitsu Filter Team.
- 12.4 Post Office shall (at Fujitsu Services' cost) take all steps reasonably requested by Fujitsu Services to assist Fujitsu Services in establishing and operating its General Development Team Rules or Clean Room Rules but only to the extent such steps relate to the actions of Post Office's employees, agents or contractors under this Agreement.
- 12.5 Post Office shall as soon as reasonably practicable notify Fujitsu Services of any matters which come to its attention that might reasonably result in a breach by Fujitsu Services of the General Development Team Rules or Clean Room Rules.