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24 February 1997

**Terms for the "2000 OBCS" offices - Remedies and Payment**

We discussed this matter briefly last week during CNT.

I remain concerned at suggestions reported to me that the expectations within some parts of the PDA with respect to Remedies may not align with what I think we agreed on Friday.

Had the DSS been prepared to provide us with the indemnity they had originally offered, there would have been a case for Remedies before Operational Trial Acceptance. In effect, these 2000 post offices would have been accepted "come what may". In the event, however, their status is no more secure than that of any other installation made during the Operational Trial period. They are at ICL Pathway's sole risk.

The nearest analogy for the 2000 is IGL - a self-contained installation package which is subject to migration to full Release 1 when the time is right. IGL terms do not include either Guarantees or Remedies. Logically, the same must apply to the 2000.

Payment terms should, by the same token, correspond to Basic Day One Scorecard.

For the avoidance of doubt, I must ask for your confirmation of the following:

Prior to the formal acceptance by the PDA of Release 1e, ICL Pathway will monitor and report upon the actual service performance of Release 1c and Release 1e but will not be liable for the payment of Remedies nor will it be subject to the Termination review process.

ICL Pathway will only become liable for the payment of Remedies and subject to the Termination review process according to the service level agreements once Release 1e has been formally accepted by BA/POCL and National roll-out has commenced (target date 3 November 1997).

Payment will be according to Basic Day One Scorecard.

All of the above pre-supposes that agreement can be reached on the viability of the 2000 plan, but I would not wish that agreement to be reached only for the commercial assumptions to unravel.

Yours sincerely,

Tony Oppenheim  
Commercial and Finance Director

cc. Steve Muchow  
Warren Spencer