

FUJITSU RESTRICTED
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SCHEDULE I2

Application Support and Maintenance

Version History

Version No.	Date	Comments
13.0		Added as per CCN1642

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SCHEDULE I2
APPLICATION SUPPORT AND MAINTENANCE

Schedule I2.1

Service Description

The parties shall review the contents of CCDs SVM/SDM/SD/0004 and SVM/SDM/SD/0005 (and the relevant provisions relating to the Reference Data Management Service described within SVM/SDM/SD/0013) and agree a revised Service Description for Application Support and Maintenance services. The parties shall seek to agree such revised service description and document the same via a CCN no later than 14 August 2018 ("**Revised ASM Service**").

The following provisions shall apply from 1 July 2018 up to the effective date of the Revised ASM Service.

1. Interim ASM Service Model

In the interim period and until such subsequent CCN is agreed, the parties agree that Fujitsu Services shall deliver the Applications Support and Maintenance (ASM) Service in accordance with the Service Descriptions SVM/SDM/SD/0004 and SVM/SDM/SD/0005 (and the relevant provisions relating to the Reference Data Management Service described within SVM/SDM/SD/0013) in respect of which the resources provided as part of ASM undertake this work (the charges for which are set out in Annex B (Operational Charges Table, under the Reference Data Management Service row) to Schedule D1 (Charges)) ("Existing CCDs"), but with the following changes applied as set out within the remaining provisions of this Schedule I2.

- 1.1 Post Office and Fujitsu Services will create a mandatory Business Impact Forum ("BIF") as a weekly meeting which will have as its agenda and the Terms of Reference the items set out in Appendix A to this Schedule.
- 1.2 The parties shall review the contents of Appendix A and shall agree any required updates together with amended meeting attendees and terms of reference for the BIF. Until such time as the formal BIF meeting is superseded by a CCN, these provisions shall continue to apply.
- 1.3 Fujitsu Services will receive all Incidents with respect to Business Capabilities and Support Facilities and associated POL Service Types (regardless of Severity Level) from the Post Office third party service integrator.
- 1.4 Where a Problem exists as a result of an Incident, all Severity 1 and 2 Problems will be managed in accordance with the Existing CCDs but with respect to Problems relating to Severity 3 or 4 Fujitsu Services shall notify the Post Office and gain its

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consent to fix the Problem. Post Office shall provide its consent or rejection to such fix within [2] business days following a BIF meeting. The Demand Planning Forum will then prioritise the fix and schedule a suitable timeframe for the fix.

1.5 Notwithstanding paragraph 1.4, where Fujitsu Services reasonably determines that a Severity level has been wrongly allocated (for example a Severity 3 should have been a Severity 1 or Severity 2), Fujitsu Services shall be entitled to fix that Problem and Fujitsu Services shall inform Post Office of this fact at the next BIF.

1.6 Fujitsu Services will seek to identify trends in Incidents calls which have been caused as a result of a known Problem. In the event that, despite the Post Office having previously requested that the Problem is not to be fixed, Fujitsu Services has identified that the Problem has caused one or more further Incidents to be raised, which causes Fujitsu Services to incur costs or otherwise negates the business case for the previous decision not to fix the same, Fujitsu Services shall be entitled to escalate the matter to the Service Director or the Group CIO to gain approval to complete the fix.

1.7 All Incidents shall be managed in accordance with the ASM Service. Where the ASM Service identifies that the Problem associated with an Incident relates to a Product as defined in Schedule I3 (Digital Development Services) then the resolution of the Problem shall be passed to the DDS Standing Platform Team as a resolver group. For the avoidance of doubt whilst the ASM Service shall be responsible for management of the Incident and associated Problem the responsibilities for resolution remains within the DDS Standing Platform Team.

2. Cost Driving Initiatives

Fujitsu Services and Post Office will work collaboratively together to minimise any impacts to the delivery of the service. These include assessing the Post Office Responsibilities set out in Appendix B. Where there is a material impact to the service a service improvement / initiative will be incepted, and the matter shall be escalated to the Service Director or the Group CIO. The contents of Appendix B shall be reviewed annually and updated accordingly.

Definitions

ASM	Means Application Support and Maintenance
Capital Projects	means any work agreed by the parties which can be undertaken by spare Development Capacity Resources, in respect to which Post Office can be capitalised
Development Capacity Resources	means the Fujitsu Services resources undertaking ASM which the parties have agreed should be assigned to undertake Capital Projects.
Known Error Log (KEL)	means a single electronic record maintained by Fujitsu Services which records details of known errors and specifying workarounds and "Known" errors shall be construed accordingly
Minimum Evidence Set	documentation required in order for Fujitsu Services to support the Incident, as agreed from time to time between the parties

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Problem	a Problem is an application related issue being the root cause of one or many Incidents
Incident	an unplanned interruption to Business Capabilities and Support Facilities and associated POL Service Types or failure of a component of any of the above.

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Appendix A

Business Impact Forum

Objectives

The purpose of the forum is to:

- Decide upon the severity/business impact and priority of Problems (and decide whether a fix is to be made).
- Assess the cost to fix Problems being development costs, test costs release and implementation costs.
- Assess the impact of deployment considering how soon does it need to be deployed and whether it needs to be prioritised.
- Assess the overall impact to the release (i.e., timeframes, cost, quality) that will be assigned to deliver the fix of the Problem as part of the scope of its deliverables.
- Assess the risk to the success and business objectives of the release that will deliver the fix to the live environment.
- Assess whether a workaround, if acceptable i.e. not compromising the integrity, availability and security of Horizon, is a more cost effective solution than the actual fix.
- Liaise with the Demand Planning Forum to schedule any approved fixes.

Terms of Reference

- The Business Impact Forum (BIF) convenes primarily to agree whether a Problem must be fixed or a workaround can be a feasible solution.
- Problems routed to BIF or Demand Planning Forum needs an action placed on it.
- The BIF is a joint Governance forum comprising representatives from Post Office and Fujitsu Services. The frequency of BIF is weekly.
- An agenda including the list of Problems to be discussed will be sent with a calendar invite before the set meeting date.
- Minutes capturing BIF decision and actions will be distributed after the meeting.

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Appendix B

Post Office Responsibilities

The following list are examples of the Post Office Responsibilities which will support Fujitsu Services in freeing up Development Capacity Resource and help realise the optimisation and cost savings initiatives. This list shall be reviewed annually to add or remove as appropriate. Any issues relating to these or any other issues which are affecting ASM will be raised within the Service Review meeting.

Post Office shall:

1. ensure the Post Office third party service integrator understands the ASM Service boundary described in Annex 1, to help ensure that only ASM Service Incidents that Post Office requires Fujitsu Services to resolve are passed to ASM Service;
2. ensure that its Branch Post Masters conform to their process obligations with respect to the Track and Trace Despatch Report;
3. provide Fujitsu Services with the specifications of the Branch infrastructure;
4. manage the Post Office third party service integrator such that processes agreed within this ASM Service Service Description are maintained;
5. ensure the Post Office third party service integrator provides information relating to each Incident as defined in the Minimum Evidence Set to Fujitsu Services in a timely manner (relevant to the associated severity of the Incident) when requested and determined by Fujitsu Services as reasonably necessary, to facilitate the Incident resolution;
6. provide sufficiently skilled resources who can attend the BIF and who are empowered to make decisions as to whether such Incidents or Problems should be resolved;
7. respond to Fujitsu Services' requests for additional information on unresolved Incidents within 2 business days of request, otherwise the Incident will be returned to the Post Office third party service integrator and any Incident Management SLTs shall not apply until such time as the information has been provided;
8. agree to formally document in a Known Error Log (KEL), where Post Office has decided not to proceed with a fix for any Incident or Problem and to share such document with the Post Office third party service integrator to ensure that it does not raise any further Incidents relating to the same issue to Fujitsu Services;
9. to ensure any third party products in respect of which Post Office owns the licence (and any related support agreements) and which are used by Fujitsu Services to deliver the ASM Service, remain in place;
10. ensure that commentary and evidential data relating to Incidents can be automatically transferred between the Post Office third party service integrator and Fujitsu Services' ASM Incident management systems via the current Incident Management tool used by the parties;

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11. ensure that any new or updated KEL, communicated by Fujitsu Services via an email to the Post Office third party service integrator is updated on the Post Office third party service integrator systems within a reasonable timescale depending upon the Severity of the Problem following receipt by the Post Office third party service integrator;
12. ensure that the ownership and management of all Incidents remains with the Post Office third party service integrator. The Post Office third party service integrator will own the interface with Users and be responsible for all communication with that User;
13. manage all Post Office third party application providers to which the ASM Service interfaces, obliging such third parties to respond to Fujitsu Services in a timely manner (relevant to the associated severity of the Incident) where Fujitsu Services reasonably considers that an Incident is related to that third party application interface, otherwise the Incident will be returned to the Post Office third party service integrator and any Incident Management SLTs shall not apply until such time as the information has been provided;
14. permit all ASM resources to access both application code, configuration details and application data sets as strictly necessary to provide the ASM Services by agreeing which ASM resources will be permitted under the PCI security controls;
15. maintain the Service Management Service, Management Information Service, Security Management Service and the ongoing provision of the HNG-X Test Infrastructure (until a new cloud platform is available), as this ASM Service depends on such Services and Infrastructure being in place; and
16. provision of a representative test system which simulates the live Operational Service available to the Incident Service (described above) to allow the reproduction of Incidents (that can be replicated) and the testing of workarounds.

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Schedule I2.2**ASM Charges and Commercial Provisions****1. CHARGES**

- 1.1 The Charges for the Application Support and Maintenance Services (subject to the Committed Savings set forth within paragraph 2 below) are as set out within Schedule D1.
- 1.2 The following provisions apply to the current ASM Charges:
- 1.2.1 the impact of the Invest to Save Credit and the Trinity Credit will be managed as part of the overall monthly invoicing for the Operational Charges and is excluded from the above values;
 - 1.2.2 the Restructuring Charges and Committed Savings (each as defined below) shall be applied in addition to the Charges;
 - 1.2.3 the Charges are subject to the indexation provisions set out in Schedule D1; and
 - 1.2.4 will be invoiced in accordance with Schedule D2 paragraph 6.

2. COMMITTED SAVINGS

- 2.1 In consideration for Post Office agreeing to pay the Restructuring Charges (as defined below) in addition to the Charges referred to in paragraph 1.1, above, Fujitsu Services shall restructure the Application Support and Maintenance Service, including through:

2.1.1 design and implementation of organisational structural changes;

2.1.2 ways of working process changes,

in order to transition to and deliver a set of revised Application Support and Maintenance service over a 2 year period.

- 2.2 The Committed Savings shall apply to the Charges with effect from 1 April 2018.
- 2.3 The “**Restructuring Charges**” shall be as follows:

Date of Payment	30 September 2018	30 June 2019
Charge	£2,000,000	£1,000,000

- 2.4 The “**Committed Savings**” shall be as follows:

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Year	2018/19	2019/20	2020/21	2021/22	2022/23
Saving	-£1,500,000	-£1,500,000	-£1,000,000	-£1,000,000	-£1,000,000

3. OPTIMISING DEVELOPMENT CAPACITY RESOURCE

- 3.1 Fujitsu Services will make available up to £3,000,000 per annum (as amended through the allocation of the Invest to Save Credit) of Application Support (Fourth Line) resource capacity which can be utilised to deliver capital value projects (each a “**Capital Project**”).
- 3.2 The parties shall cooperate to optimise the use of the Development Capacity Resource capacity and such use shall be through
- 3.2.1 Fujitsu Services identifying, managing and delivering a Capital Project which requires no additional resources other than the Development Capacity Resource and the Capability Wrap and the available resource capacity has the requisite skills and experience available for the specific requirements of the Capital Project at the time of request; or
- 3.2.2 The process described in paragraphs 3.7 and 3.8 below
- 3.3 Spare Development Capacity Resource capacity will not be carried over from a previous month.
- 3.4 Fujitsu Service shall provide a “Capability Wrap” service to manage and optimise the Capital Project utilisation of the Development Capacity Resource. This Capability Wrap shall include the following functions:
- 3.4.1 senior project management;
- 3.4.2 architectural management and support; and
- 3.4.3 functional testing.
- 3.5 The number of FTEs required to provide the Capability Wrap and the associated Charges shall be agreed and ordered by Post Office and Fujitsu Services annually in advance.
- 3.6 The maximum Charges for any given year for the Capability Wrap shall be equal to the agreed number of FTEs for such year multiplied by the Rate Card, discounted by a minimum of 10% unless the FTEs drops to below 4 per annum, in which case the parties shall agree the updated discount levels.
- 3.7 In the event that the project manager within the Capability Wrap identifies that either or both of the testers has spare capacity, the project manager will inform the Post Office Service Director and the Post Office shall have the right to re-allocate up to

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£10,000 of tester capacity per month within the Capability Wrap to work on another project, provided that this has been scoped and agreed in advance of the month in which the spare capacity is required. Any spare tester capacity within the Capability Wrap which the parties have agreed to roll-over in this manner must be consumed within the next month and cannot be further accumulated into the following month. Post Office expressly agrees that regardless of the agreement to provide a certain amount of resources that can be reallocated for Capital Projects, the management of Incidents affecting live service (and associated Problems) will always take priority over performance of Commercial Terms and as such, any resources may be removed from such Capital Projects if required to resolve an Incident or Problem without prior notice to Post Office and Fujitsu Services will be relieved from any failure to meet its obligations associated with delivering the Capital Project that arise specifically as a result of such resources being removed from the Capital Project.

- 3.8 Upon receipt of a request for a Capital Project, Fujitsu Services shall, triage the requirement in accordance with the CT process currently in place in order to determine the required resource profile and availability of appropriately skilled resources to be allocated to the project, taking into account current Service Incidents and Problems and resource requirements for existing Capital Projects.
- 3.9 The Commercial Terms for the requested Capital Project will include the estimated number of days which are intended to be delivered by the Development Capacity Resource, and which additional resources will need to be funded (if any). For CTs where no additional resources outside of the Development Capacity Resource are required, the value of the CT will be shown as Zero. For CTs where some additional resource is needed, the CT will provide an approximate, estimated split (expressed as a resource break down) between the resources to be provided from the Development Capacity Resource and other resources for the purposes of calculating an estimate.
- 3.10 A monthly report will be provided detailing the number of days of Development Capacity Resource capacity per grade that has been consumed by agreed fixes, Commercial Terms or otherwise by Capital Projects to date but this will not be detailed at an individual level or set out in timesheets. The parties shall agree appropriate metrics to monitor, forecast and manage the utilisation of the Development Capacity Resource and it shall be reviewed in an appropriate forum.