



Call for tenders

Managed IT Services

Annex B.2 - Service Level Agreement for Managed Services

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1 Introduction

1.1 Aim of this document

The **Service Level Agreement (SLA)** defines the mechanisms used for the management of the framework contract and the specific contracts based upon it. In addition, it lays down the service quality indicators, which are specific indicators used for the measurement of the quality of the service and the applicable liquidated damages in case of non-fulfilment of the required service levels.

This Service Level Agreement is based on the Service Requirements (SR) defined in the chapters 2 and 3 of the Annex A1 - Service Requirements, covering the minimum services to be provided.

This document focuses on the interfaces and communication channels between the Joint Undertakings and the future contractor. **It is the minimum level of services and quality required by the JUs, can not be downgraded. It forms an integral part of the framework contract. Unconditional acceptance of the SLA by the Contractor is mandatory.**

The Service Level Agreement (SLA) to be developed by the tenderers, based on this document, is composed of

- the performance indicators,
- the Quality Plan (QP) containing the Quality Indicators and
- the Service Delivery Plan (SDP)

It is applicable for the duration of the framework contract and to all related specific contracts signed.

The SLA is a living document which may be updated during the framework contract, on the request of the either of the parties.

Modifications to this document must be discussed and agreed between the Service Manager (see profiles in point 1.5 of Annex A1) and the JUs according to the revision process detailed in section 1.2 below.

1.2 Revision process

During the lifetime of the framework contract, the JUs or the future contractor may propose changes in the Service Delivery Plan, Service Level Agreement and the Service Requirements (Annex A1). These changes cannot be in contradiction with the minimum requirements of the framework contract and its annexes. Their purpose is to clarify or help the execution of the contract. They will need the agreement of both parties.

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1.3 Performance Monitoring

The JUs will monitor the Contractor’s performance of the required services. The Contractor shall co-operate, and shall commit that its sub-contractors co-operate with the JUs in carrying out the monitoring referred above at no additional charge to the JUs. If the Contractor believes that the JUs’ monitoring of the services is unreasonable, the Contractor may escalate the issue with the JUs using the Escalation Procedure to be defined in the SDP.

1.4 Warning Notices and increased monitoring

Without prejudice to the other rights or remedies of the JUs, if at any time the Contractor has:

- committed any material default of its obligations under this Service Level Agreement; or
- in respect of its performance of the services, fallen to or below a service threshold set in the service level agreement;
- accrued two (2) or more service failures as described in chapter 1.17 in any three (3) month period; or
- accrued five (5) or more events affecting the service credits as defined in chapter 1.9.1 in any calendar month;

then the JUs may give a written notice (a “**Warning Notice**”) to the Contractor setting out the matter or matters giving rise to such notice and containing a reminder to the Contractor of the implications of such notice. Any such notice shall state on its face that it is a Warning Notice.

Without prejudice to the other rights or remedies of the JUs, if the Contractor receives two (2) or more Warning Notices in any period of three (3) calendar months in respect of any Services (or any part thereof), the JUs may, by written notice to the Contractor, reasonably increase the level of its monitoring of the Contractor, or (at the JUs’ discretion) require the Contractor to increase the level of its monitoring of its own performance of its obligations under this Service Level Agreement, in respect of the Services (or relevant part thereof) to which the Warning Notices relate, until such time as the Contractor shall have demonstrated to the reasonable satisfaction of the JUs that it shall perform (and is capable of performing) its obligations under this Service Level Agreement.

1.5 Liquidated Damages

Liquidated damages (LDs) are applicable when the contractor fails to meet its contractual obligations. There are defined in the article II.14 of the Annex A4 the Framework Contract (Annex A4) and in section 1.10 of the present document.

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Contractor strongly **commits on quality** for the service delivery. Penalties with visible impact apply in case of non-compliance with the targets.

1.6 Service Window

Service	Service window	Comments
End user support on-site	business days 9h-17h	When the on-site support person is absent, remote support from Contractor takes over both for end user support and management of the infrastructure. Working days with on-site presence: around 245 days. Working days of the year except European Commission holidays (table below). In case of unplanned absence the on-site resource will be replaced on best effort base on the first day (on the second day replacement is guaranteed)
End user support remote	business days 8h30-18h	Covers call intake with first line support and immediate action on urgent calls.
End user support remote (outside office hours)	until 22:00 working days; 9:00-17:00 non-working days)	Covers call intake with first-line basic support (VPN, password reset, webmail support, incident logging, etc.)
IT systems available	business days 7h-20h	Except previously agreed upon maintenance windows.
Webmail and VPN access	24x7 coverage	Covered with remote management by on-call team from Contractor.

European Commission holidays in 2018 (for reference only, see point I.15 of Annex A4, Framework Contract template):

1 January	Monday, New Year's Day
2 January	Tuesday, day following New Year's Day
29 March	Maundy Thursday
30 March	Good Friday
2 April	Easter Monday
1 May	Tuesday, Labor Day
9 May	Wednesday, Anniversary of the Declaration by President Schuman in 1950
10 May	Thursday, Ascension Day
11 May	Friday, day following Ascension Day
21 May	Whit Monday
15 August	Wednesday, Assumption Day
1 November	Thursday, All Saints' Day
2 November	Friday, All Souls' Day



24 December to 31 December	
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1.7 Effect on the underlying services on the SLA

The JUs have several contracts with service contractors in the domain of IT services. Those contractors may operate 'in house' or outside the JUs' premises. Each of them has its own contract and SLA defining their service boundaries and service responsibilities towards the JUs.

Although the Contractor (winning tenderer) has no contractual relationships with the above underlying service contractors, the proper functioning of the Managed IT Services may be linked to the proper functioning of the underlying services. The contractor is not responsible for the incorrect functioning of the underlying services.

However, it is the responsibility of the Contractor to inform the JUs of the detected anomalies, in order to help the JUs to provide relevant information to the contractors of the underlying services.

1.8 General Performance Indicators - (GPIs)

For the various service components and elements that are part of the current tender, a set of measurable key performance indicators and quality criteria have been defined. These are the basis of the SLA. They do not - however - allow an overall follow-up of the services and do not allow to effectively manage the continual improvement projects. Therefore, a new set of performance elements are defined. These are labelled "general performance indicators" (GPIs). These are indicators, which are not always measurable but are nonetheless very important. During the contract, the GPIs may evolve in accordance with the evolution of JUs' business requirements, with the changes in the JUs' organisation and with the technological evolution of the JUs' ICT environment.

GPIs are indicators for which it may not be possible to define measurable objectives like the KPIs that can be objectively "measured" using an incident management tool. GPI breaches can be identified by various means: for example by sampling, by reviewing or following complaints on specific situations.

Breaches on GPIs will be registered. The contractor will be asked to provide a SMART action plan to prevent the situations from reoccurring.

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General Performance Indicators (GPI)	
1.	Availability and “up-to-date-ness” of the process & procedure manuals
2.	Proper use of a service manager /ticketing tool: <ul style="list-style-type: none"> a. Such a tool will be the main instrument to manage the services. It is essential that every actor use it professionally and correctly. This includes: b. Filling out all fields correctly and completely c. Changing a status for the correct reasons at the correct moment, especially those that have an effect on the time registration of the ticket (some statuses stop the clock, some don't). d. Creating multiple tickets for single incidents
3.	Correct call handling <ul style="list-style-type: none"> a. Professional Telephone attitude b. Correct, detailed completing of ticket information c. Detect, prevent, report unwanted behaviour to manipulate the KPI reporting
4.	Correct resolution of known errors
5.	Correct assignment to back-office, 3 rd level & 3 rd party <ul style="list-style-type: none"> a. Detect, prevent fake assignment (to "get rid of" a ticket) b. Have up-to-date documented knowledge of 1st, 2nd, 3rd level assignment groups and of the Information systems they support
6.	Correct Queue Management
7.	Availability of the contracted service components (front-office, standby, back-office, ...)
8.	Correct Service Management <ul style="list-style-type: none"> a. Incident Management <ul style="list-style-type: none"> i. Incident follow-up & closure ii. Detect & prevent Ping-Pong behaviour early iii. Interact efficiently with other Incident managers and the JUs' IT officers, informally and formally b. Problem Management c. Knowledge Management - implementation of KB
9.	Level of satisfaction of users, stakeholders (JUs' IT officers)
10.	Expertise (technical, linguistic,..), suitability of support staff and suitability of management staff



1.9 Key Performance Indicators (KPIs)

Key Performance Indicators (KPIs) will help ensure services provided are performing well. Performance against the targets in this SLA is reported on a monthly basis. The monthly service report shows performance against service level targets. All performance exceptions are identified and investigated by the Service Manager and discussed during the monthly service meeting. Action plans and/or improvement plans (involving both decisions from Contractor side and/or Joint Undertakings side including investments in hardware and software) are also discussed during the monthly Service Meeting, as part of the overall approach to continual service improvement.

It is important to note that Contractor systematically endeavors to resolve all problems as soon as possible independently of the SLA and KPIs set in the spirit of good customer relations and satisfaction.

Below table lists the definitions and measurements used to complete the KPI table to be included in the monthly report. SLA Violations are attributed to each of the service affected in availability independently of the root cause of failure. Changes to the tables referred to in this chapter follow the revision process.

1.9.1 Availability and performance KPI's:

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Minimum Key Performance Indicators (KPI)						
Services	Definition	Target	Service Window	# SLA items	# SLA violations	Weight (%)
Availability IT Infrastructure Services						
Mail services (Exchange + user access)	Availability of Exchange server to send / receive mails and user connectivity access (outlook client, webmail and activesync)	99,50%	24x7	expressed in hours		15
File share access	Availability of the File Services Role based on health monitoring	99,50%	business days 7h-20h	expressed in hours		9
Print service	Availability of the Print Services Role based on health monitoring (45%) combined with MFP functional availability based on OT (55%)	99,50%	business days 7h-20h	expressed in hours		9
Internet Connectivity (on-premise)	Availability of internet connection allowing connections to the White Atrium Infrastructure	99,50%	24x7	expressed in hours		3
WAN Connectivity (on-premise)	Availability of datacenter connection allowing connections from White Atrium to Contractor Datacenter Infrastructure	99,50%	24x7	expressed in hours		3
Firewall & Proxy services (on-premise)	Average availability of firewalls based on health monitoring	99,50%	24x7	expressed in hours		8
Network Infrastructure Services (on-premise LAN)	Average availability of network equipment based on health monitoring	99,50%	business days 7h-20h	expressed in hours		4
VPN Services	Availability of vpn portal	99,50%	24x7	expressed in hours		8
Wi-Fi Network	Average availability of wireless access points health monitoring	99,50%	business days 7h-20h	expressed in hours		8
Telephony Services	Average availability of servers based on incidents and log info	99,50%	24x7	expressed in hours		8
VoiceMail Services	Average availability of servers based on incidents and log info	99,50%	24x7	expressed in hours		7
Mail Anti-Virus / Anti-Spam service	Availability of provider to process emails	99,50%	24x7	expressed in hours		3
Incident resolution times IT Infrastructure Services						
Priority P1	Time between reporting the Incident and the time that Contractor solves the ticket by a permanent solution or an acceptable workaround	95% within 2h	business days 7h-20h	expressed in # INC		11
Priority P2		90% within 4h	business days 8h30-18h	expressed in # INC		9

Priority P3		80% within 1d	business days 8h30-18h	expressed in # INC		7
Priority P4 - P5		75% within 2d	business days 8h30-18h	expressed in # INC		5
Service Requests IT Infrastructure Services						
Cat. 1 ¹	Time between requesting the Service Request and the time that Contractor solves the ticket	90% within 1bh	business days 8h30-18h	expressed in # SRQ		15
Cat. 2		90% within 4bh	business days 8h30-18h	expressed in # SRQ		15
Cat. 3		90% within 1bd	business days 8h30-18h	expressed in # SRQ		14
Cat. 4		90% within 2bd	business days 8h30-18h	expressed in # SRQ		5

The time spent waiting the contracting authority and third parties will always be deducted from the total SLA time (waiting state).

Each service will receive one Individual KPI result and a corresponding service credit.

Individual KPI Result calculation:

$$\text{Result} = (\#SLA \text{ items} - \#SLA \text{ violations}) / \#SLA \text{ items}$$

Service Credits calculation:

$$\text{When Result} \geq \text{Target: Service Credit} = \text{Weight}$$

$$\text{When Result} < \text{Target: Service Credit} = \text{Weight} * \text{Result}$$

The overall KPI is calculated as sum of individual Service Credits.

¹ The services under each category from 1 to 4 are defined in section 1.9.2.

1.9.2 Overview of Service request categories

IT infrastructure services

Overview of Service request categories			
Cat. 1	Cat. 2	Cat. 3	Cat. 4
AD password/vpn reset/unlock	Toner / waste container replacement	User in / User out	How-to-questions / RFI
Wi-Fi: Traffic trace/research	Extend mailbox size	Mailbox rights modification	Address book user details modify
Wi-Fi: Block MAC address	EC address book upload	Distribution list create/modify/delete	
Wi-Fi: password reset	Fileserver user access create/modify/delete	Functional mailbox create/modify/delete	
	Local printer install/modify/move/delete	Fileserver directory structure create/modify/delete	
	Vpn (access+token+software) create/modify/delete	PC HW install/upgrade/move/remove	
	Modify vlan & lan port	AD policy or login script create/modify/delete	
		Software (re-)installation manual	
		Backup modification or ad hoc local backup	
		Restore user file	
		Local admin PC	
		Print queue create/modify/delete	
		Proxy exception/whitelisting	
		Firewall connectivity	



1.10 Quality Plan & Quality indicators - (QI's)

The Contractor shall develop a *Quality Plan* that:

- Ensures that all aspects of the services are the subject of quality management systems;
- Are consistent with ISO 9001:2015 or any equivalent standard, which is generally recognized as having replaced it.
- Take into consideration the minimum quality indicators mentioned below.

The Contractor shall ensure that the services are carried out in compliance with the Quality Plan. The Quality Plan is composed of specific quality indicators used for the measurement of the quality of the service.

The minimum quality indicators shall be:

The **Contract Management Process (CMP)** covers activities including the conformity with the SLA, the handling of contract follow-up meetings, the delivery of the minutes of such meetings and the delivery of reports.

The **Ordering Process (OP)** covers the period from the sending of the request to the signature of a specific contract.

- The contracting authority initiates the process by addressing a request to the contractor. The contractor addresses to the contracting authority the receipt confirmation, the willingness to make a proposal and the proposal.
- Following the acceptance of a proposal by the contracting authority, the contractor sends a formal offer conforming to its proposal and a specific contract can be prepared and signed.

The **Delivery Process (DP)** covers the time from the signature of a specific contract to the acceptance of the deliveries.

- After the signature of a specific contract, the delivery of the service must comply with the terms of the contract.

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1.10.1 Quality Indicators

The **service quality indicators** are specific key performance indicators used for the measurement of the quality of the service. The Quality Indicators concern the proper follow-up and execution of the framework contract and of the relevant specific contracts and are used in order to assess the overall capacity of the contractor to comply with the required ordering, delivery and reporting processes. Although non-compliance with some of the indicators may result in termination of a given specific contract, regular non-compliance for a number of specific contracts may lead to measures due to under-performance on the level of the framework contract.

The following table gives the definition of the quality indicators, the target to be respected for each one and the related actions when an error occurs.

Minimum Quality Indicators (QI)		
Quality Indicator	Target	Immediate action / Liquidated damages
description		
<i>Contract management process (CMP)</i>		
CMP-1 Delays for the signature of amendments to the framework contract	<i>Signed amendment documents are to be sent to JU within 10 working days of reception by the contractor</i>	The JU can claim liquidated damages of 300€ per day of delay for signature of amendments to the framework contract
CMP-2 Respect of deadlines for monthly meetings and reports	The monthly report must be sent within the first 10 calendar days of the following month and the meeting must be held within 5 days after delivery of the report	The JU can impose liquidated damages of 300€ per day of delay after the missed deadline
CMP-3 Respect of deadlines for delivery of the minutes of contract follow-up meetings	Meeting minutes must be sent within the next 5 calendar days following the meeting	The JU can impose liquidated damages of 300€ per day of delay in the delivery of the minutes of contract follow-up meetings
CMP-4 Conformance of monthly reports	A conform report is a report for which no correction is required	The JU can impose liquidated damages of 500€ per monthly report found to be non-conform
CMP-5 Availability for contract follow-up meetings	The contractor must be available for follow up meetings within 15 calendar days since the JU service requires in written such a meeting	The JU can impose liquidated damages of 300€ per progress meeting for which the contractor was unavailable
<i>Ordering process (OP)</i>		
OP-1 Conform proposals with the request	The contractor must make a proposal that is technically and financially acceptable (e.g. meeting all the requirements in the technical annex)	The non-conform offers are discarded
OP-2 Number of specific contracts signed after final offer acceptance	Specific contracts need to be signed in maximum 10 days	In case of refusal or unacceptable delay for signature (e.g. above 10 calendar days), no specific contract is signed.

		A compensation amounting to 5000 EUR can be claimed by the requesting JU
<i>Delivery process (DP)</i>		
DP-1 Compliance with the starting date	The contractor needs to respect all the start dates mentioned by the JU in the request or any other relevant start date agreed in written between the parties. In case of delay, he needs to provide a justification and propose a new start date, which can be accepted by the JU or not.	If the delayed starting date is accepted by the JU, a compensation of 200 EUR/ day of delay will be imposed. If the delayed starting date is not accepted by the JU, the contract can be terminated. In this case a compensation amounting to 5000 EUR can be claimed by the JU for the delays caused by the contractor.
DP-2 Compliance with the delivery dates of final deliverables	The contractor needs to respect all the delivery dates mentioned by the JU in the request or previously agreed in written between the parties. If a deliverable (e.g. a functionality or a service linked to a specific task/sub-task ordered) is delivered at the established date, but is found non conform, if one or more deliverable(s) were not accepted within the initially specified deadlines but all pertaining deliverables were accepted, the number of days required to deliver a conform final deliverable will be considered as days of delays and the compensation will be applicable.	Liquidated damages of 0,5% of the value of the specific contract per calendar day of delay or 10% of the price of each delayed deliverable (e.g. linked to a sub- task) per month of delay will be applicable. The selection of one of the two options will be done by the contracting authority based on the characteristics of the work to be done under the specific contract. In case of intermediate partial deliverables (e.g. successive versions), the compensation will apply on the cumulated value of the final deliverable.
DP-3 Final compliance of deliverables with the specifications	For each specific contract, all deliverables need to be conforming to the specifications. In case of non-conformity with the requirements, the contractor needs to take necessary measures at its charge to correct the deliverables.	Non-conform deliverables will not be accepted by the JUs and cannot be invoiced by the contractor. Following any final decision by a JU not to accept one or more of the deliverables specified in a Specific Contract, liquidated damages up to the triple value of each respective non-accepted deliverable(s) shall apply. However, in case of partial acceptance of a deliverable, the maximum amount paid to the Contractor will be in proportion to work delivered.

1.10.2 Quality Monitoring

The JUs representative may carry out audits of the Contractor’s quality management systems (including all relevant Quality Plans and any quality manuals and procedures) at regular intervals. In addition, the JU’s representative may carry out other periodic monitoring or spot checks at any other time.

In each case, the Contractor shall co-operate, and shall ensure that its Sub-contractors co-operate with the JUs, including by providing the JUs with all information and documentation, and access to any relevant Contractor personnel and/or to any relevant site, which he reasonably requires in connection with his rights under this clause at no additional charge to the JUs.



1.11 Service Delivery Plan

The Service Delivery Plan (SDP) is a guideline specifying the specific approach and basic arrangements regarding the delivery of services as defined within the scope of the contract. The contractor shall draft this document; he will be bound by it, and must at least contain:

- Summary of the services provided under the framework contract;
- Contact details, escalation procedure and communication matrix;
- Meeting structure and template of the agenda;
- Overview of the delivery organization;
- Responsibility Matrix following the RACI model (Responsible-Responsible to recommend an answer to the decision, Accountable-Authorized to approve an answer to the decision, Consulted-Those whose opinions are sought; and with whom there is two-way communication, Informed-Those who are informed after the decision is made; and with whom there is one-way communication);
- JUs-specific Contractor Interfaces and process flows (For instance the ticket monitoring system put in place, any functional mailbox, WhatsApp group etc.);
- Tools available to the JUs;
- Description of the Monthly Service Report
- Reference to the Service Level Agreement and Service Requirements;
- Reference to operational procedures and work instructions;
- Template documents such as meeting minutes and request for changes

1.12 SLA exclusions

Any unavailability or non-accessibility of business systems that is not caused by failures of the services provided by Contractor will be excluded from the SLA calculations.

For example:

- A business critical application (e.g. mail) in scope of Contractor’s services becomes unavailable to end users due to unavailability of the wide area network, provided and supported by a 3rd party.
- A scheduled and approved maintenance by Contractor or a third party impacting the availability of applications or systems in scope of Contractor
- Power failures
- Insufficient access rights
- Registration error
- No remote connection available (for remote interventions)
- No access to location and/or user not present (for on-site interventions)
- Traffic jams (for on-site interventions)
- Force majeure (“act of God”) such as, but not limited to, fire, flood, strike, labor dispute or other industrial disturbance, (declared or undeclared) war, embargo,

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blockade, legal restriction, riot, insurrection, governmental regulation, and the unavailability of means of transportation.

1.13 Customer Portal and Reporting

All documents must be stored onto a Contractor-provided customer portal and must remain accessible to all involved parties during the lifetime of the framework contract.

The contractor provides a monthly service report to the IT Officers of the JUs under each specific contract.

The report for a given month has to be delivered before the 10th day of the next month.

The monthly report shall include:

- A summary of the activities under the specific contract(s).
- The calculated value of the indicators of the SDP, SLA and QP
- List of the requests and specific contracts from the start of the framework contract.
- The risks identified and the problems encountered as well as mitigation actions that took place or proposed by the contractor under each specific contract.

1.14 Service Meeting

Follow-up meetings between the IT Officers of the JUs and the Service Manager are held on the JUs' premises (in Brussels building White Atrium).

The monthly meetings will be held within 15 days after the end of the previous month based on the report to be submitted before the 10th day of the next month.

When necessary, dedicated meetings on a particular subject related to the execution of the specific contract in question can be asked by the JUs/Contractor. Aside from the IT officers, please note that the JUs' representatives participating in the meetings may depend on the purpose and the subject of the meeting.

1.15 Risk and problem management

When a Contractor identifies a technical, financial or contractual risk, he must report it to the IT Officers of the JUs.

Examples of risks are linked to a potential:

- Lack of staff resources for the execution of the contract
- Lack of knowledge or experience in specific domains
- Lack of correct infrastructure for the execution of the contract
- Unavailability of the request handling application

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- Lack of security
- Contractual problems with partners or subcontractors
- Change in the ownership or business activities of the Company

For each risk identified, the Contractor must inform the JU of the strategy, actions or contingency plan he will put in place.

If a service management problem occurs (for example, no response to the requests, incorrect reporting, leaving of staff, delays in invoicing), the Contractor must report to the JU about the measures he will put in place to solve the problem.

1.16 Service Improvement

The Contractor shall have an ongoing obligation throughout the term of the contract to identify new or potential improvements to the services. As part of this obligation, the Contractor shall identify and report to the IT Officers quarterly in the first year and once every six months for the subsequent years (if any) on:

- The emergence of new and evolving relevant technologies which could improve the ICT Infrastructure and/or the Services, and those technological advances potentially available to the Contractor and the JUs which the parties may wish to adopt;
- New or potential improvements to the Services including the quality, responsiveness, procedures, benchmarking methods, likely performance mechanisms and customer support services in relation to the Services;
- New or potential improvements to the interfaces or integration of the Services with other services provided by third parties or the JUs which might result in efficiency or productivity gains or in reduction of operational risk;
- Changes in business processes and ways of working that would enable the Services to be delivered at lower costs and/or at greater benefit to the JUs; and
- Changes to the ICT Environment, business process and ways of working that would enable reduction in the total energy consumed annually in the delivery of Services.

The Contractor shall ensure that the information that it provides to the JUs is sufficient for the JUs to decide whether any improvement should be implemented. The Contractor shall provide any further information that the JUs requests.

The JU shall at all times be responsible for determining its own ICT strategy. The JUs may notify the Contractor of any changes to the JUs' ICT strategy and request the Contractor to consider, review and respond to that strategy. If, in the Contractor's opinion, any notified change to the JUs ICT strategy would affect the provision of the Services, the Contractor shall refer the matter to the IT Officers.

If the JUs wishes to incorporate any improvement identified by the Contractor, the JUs shall send to the Contractor a Change Request and the parties shall:

- Develop a plan for the implementation of the improvement within 20 Working Days of the JUs's Change Request for the approval of the JUs;
- Implement the improvement in accordance with the provisions of an implementation plan approved by the JUs; and

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- Submit the improvements to testing in accordance with the provisions of clause testing below.

1.17 Service Failure & Correction Plan

A Service Failure, simply defined, is a service performance that fails to meet the contracting authority's expectations.

A Correction Plan is a document describing exactly how a specific situation will be changed to better meet the SLA. A corrective action plan is a response to a situation that is problematic for the JU.

If there is a Service Failure or if the Contractor believes that there will be a Service Failure, the Contractor shall notify the JUs promptly in writing of the Service Failure or likely Service Failure;

If there is a Service Failure or if the Contractor believes that there will be a Service Failure, which takes the Service Levels below the Service Notification Threshold the Contractor shall:

- Provide the JUs for its approval (which shall not be unreasonably withheld) with a draft Correction Plan of the action that it will take to rectify the Service Failure or to prevent the Service Failure from taking place or recurring, as soon as reasonably practicable and in any event within 10 Working Days from the day the Contractor notifies the Jus.
- If the JUs does not approve the draft Correction Plan, take the reasons notified to the Contractor for the rejection into account in the preparation of a further draft Correction Plan, which shall be resubmitted to the JUs within five Working Days of the rejection of the first draft;
- Take all remedial action that is reasonable to rectify or to prevent the Service Failure from taking place or recurring; and carry out the Correction Plan agreed in accordance with the terms above.

For the avoidance of doubt, approval of a Correction Plan by the JUs shall not relieve the Contractor from any of its liabilities under this Service Level Agreement and shall be without prejudice to any other rights or remedies available to the JUs.

The JUs and the Contractor can review the Service Level Agreement every year at the occasion of the prolongation of the Framework Contract, and may change the Service Credits applicable to one or more Service Levels provided that:

- The principal purpose of this change is to reflect changes in the JUs' business requirements and priorities, or to reflect changing industry standards;
- The change is not specifically intended to penalize the Contractor for poor performance in relation to any particular Service Levels; and
- There is no increase in the total value of Service Credits potentially payable.

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If the Contractor reasonably believes that any proposed change, which is requested by the JUs, would necessarily and adversely increase costs, the Contractor shall be entitled to submit a price variation request (supported by appropriate evidence, which should include but not be limited to an updated financial offer, if applicable) within 10 Working Days of the date of receiving the JUs's written notice.

The JUs shall then review the Contractor's price variation request submitted and, within 15 Working Days shall respond to the Contractor and do one of the following:

- Accept the Contractor's price variation request and make any required changes; or
- Decide not to proceed with the change.

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