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Department for Work and Pensions

SCHEDULE 4

ANNEX B

Service Levels and Service Credits for Hosting

1. Introduction

- 1.1 This Annex describes the Service Levels that the CONTRACTOR will be required to deliver against the Hosting Services detailed in Schedule 2, Annex A. Unless otherwise stated, the Service Levels will apply to each of the Production, Staging, Reference and ISV environments.
- 1.2 References to Service Levels and Service Credits in this Annex B are references to such Service Levels and Service Credits set out in this Annex B and Schedule 4, Annex C as they apply exclusively to the Hosting Services set out in Schedule 2, Annex A.
- 1.3 The CONTRACTOR shall provide the Hosting Services and meet all of the Service Levels as set out in Schedule 4, Annex C.
- 1.4 In the event that the CONTRACTOR does not achieve the Service Levels that must be measured as denoted in Schedule 4, Annex C the CONTRACTOR will award the AUTHORITY a Service Credit or Service Credits in accordance with this Annex B.
- 1.5 Service Credits shall, subject to paragraph 7.1 below, be awarded to the AUTHORITY to reflect the following:
 - (A) the degree to which the value of the Quality Services Indicator falls below the value of the QSI Threshold over a Measurement Period ("QSI Threshold Failure Service Credits");
 - (B) the frequency of such occurrences over consecutive Measurement Periods ("Frequency of Failure Service Credits"); and
 - (C) repetitive failures of discrete KPIs where not included as part of Service Credits awarded under paragraphs 1.4(A) and 1.4(B) above.

2. Service Level Agreements

- 2.1 The Service Levels described in this Annex are the standards of availability and performance (within a range of acceptable parameters) of the Data Centre Space Rental Services and the response time of the CONTRACTOR in providing the Data Centre Operations Services to be achieved by the CONTRACTOR during the term of the Agreement.
- 2.2 Service Levels will be measured against the following distinct Service Elements:
 - (A) Data Centre Space Rental Services:
 - (1) Data Centre;
 - (B) Data Centre Operations Services:
 - (1) NOC;

- (2) Incident Management;
- (3) Problem Management;
- (4) Service Level Management;
- (5) Change Management;
- (6) Release Management;
- (7) Configuration Management;
- (8) Capacity Management;
- (9) Availability Management;
- (10) IT Service Continuity Management;
- (11) Operations and Security Management; and
- (12) Business.

2.3 The CONTRACTOR shall measure and report in writing to the AUTHORITY on the performance of the Hosting Services during the Measurement Period.

2.4 Each SE listed in paragraph 2.2 above will be measured by the use of KPIs where indicated in Schedule 4, Annex C.

2.5 Where specific measurement tools or measurement methodologies are stipulated, the CONTRACTOR may amend such measurement tools or measurement methodologies provided always that such amendment does not affect the ability of the CONTRACTOR to provide the Hosting Services in accordance with the SEs and KPIs set out in this Annex B and such amendment is agreed through the Change Control Procedure.

2.6 The Parties may agree additional SEs and/or KPIs from time to time in accordance with the Change Control Procedure.

3. **The Scoring Process**

3.1 **Individual SEs**

(A) Each SE shall have associated with it:

- (1) one (1) or more KPIs;
- (2) a level of performance to be attained for each KPI ("Performance Level");
- (3) where indicated a measurement tool (or methodology) to measure each KPI's performance ("Measurement Tool");
- (4) a weighting to determine the relative importance of each KPI;
- (5) a maximum weighted numeric score indicating full attainment of performance ("Maximum Weighted Score"); and

- (6) an actual numeric weighted score indicating actual attainment of performance (“Actual Weighted Score”).
- (B) The Maximum Weighted Score associated with a KPI is the score to be awarded with respect to that KPI (and the value to be assigned to the corresponding Actual Weighted Score) where the Performance Level of that KPI has been met.
- (C) The Measurement Tool pertaining to each KPI within a SE shall be used to measure the level of performance of the Hosting Services with respect to that KPI so as to produce the Actual Weighted Score which indicates the actual level of the Hosting Services in respect to that SE.
- (D) Where the Measurement Tool associated with a KPI indicates that performance of the Hosting Services with respect to that KPI has met that KPI’s Performance Level the CONTRACTOR shall assign to the Actual Weighted Score the corresponding Maximum Weighted Score.
- (E) Where the KPI indicates a frequency of measurement which is different from the Measurement Period (e.g. quarterly or annually) the CONTRACTOR shall nonetheless award the Maximum Weighted Score to that KPI as if the KPI had been met in full in all Measurement Periods. The CONTRACTOR shall only be required to award an Actual Weighted Score when the Measurement Period corresponds to the frequency of measurement required for that particular KPI.
- (F) The score shall be entered into the CONTRACTOR’s report on the performance of the Hosting Services over the Measurement Period mentioned above substantially in the form as annexed at Annex A to this Exhibit 11.

3.2 Overall Service Quality

- (A) The quality of the Hosting Services provided by the CONTRACTOR during a Measurement Period shall be measured in terms of a QSI.
- (B) A separate QSI will be calculated for the Data Centre Space Rental Services and the Data Centre Operations Services.
- (C) QSI is the sum of all the Actual Weighted Scores (of the SEs – maximum or otherwise) attained when measuring the performance of the Hosting Services against all SE’s during a Measurement Period.
- (D) The CONTRACTOR shall calculate the value of the QSI by summing the Actual Weighted Scores for each and all of the KPIs, enter its value on the pro-forma set out in Annex A and communicate its value to the AUTHORITY as stated above. In the event that the CONTRACTOR is unable to measure a KPI then the score for that KPI shall be deemed to be zero (0).
- (E) Where a single Incident occurrence against KPI C4 is caused by the failure of any one or more of KPIs A1, A2, A3, A4 for Data Centre Space Rental Services or KPIs D1, F3, F4, G2, G3, G5 or I2 for Data Centre Operations Services then the Scoring Process to be applied for the purposes of determining the QSI Threshold Failure Service Credits shall be separately calculated and separately applied as follows for

each of Data Centre Space Rental Services and Data Centre Operations Services. For those KPIs affected by the same Incident occurrence:

- (1) an Actual Weighted Score of zero (0) will be applied to the KPI with the greatest corresponding Maximum Weighted Score; and
 - (2) the remaining affected KPIs shall be scored as if each of them had obtained their Maximum Weighted Score.
- (F) If the value of the QSI is 36 or less for the Data Centre Space Rental Services and/or 154 or less for the Data Centre Operations Services then the Service Credits according to the process set out below in paragraphs 5.3 and 5.4 shall apply.
- (G) Where the same KPI attracts an Actual Weighted Score of zero (0) for three or more consecutive Measurement Periods then the AUTHORITY shall, where Service Credits would not otherwise be payable in those Measurement Periods, be entitled to a Service Credit payment in accordance with paragraph 5.5 below.

4. **Service Level Reporting**

4.1 The following rules shall apply:

- (A) the measure of performance of the Hosting Services shall be in respect of all those SEs as indicated in Schedule 4, Annex C and shall be made over successive and contiguous Measurement Periods;
- (B) the CONTRACTOR shall submit to the AUTHORITY its written report on the results of the measurement of the Hosting Services in respect of the SEs during a Measurement Period no later than five (5) Working Days after the end of that Measurement Period;
- (C) the report shall contain where applicable and with respect to each SE that SE's Raw Performance Score;
- (D) the report shall contain the value of the QSIs;
- (E) the report shall also contain the percentage and value of Service Credits, if any, due to the AUTHORITY as a result of the QSIs arising during the Measurement Period; and
- (F) The CONTRACTOR and the AUTHORITY shall meet during each Measurement Period to review the SEs of the preceding Measurement Period.

5. **Service Credits**

5.1 Where the value of the QSI on the conclusion of the first Measurement Period and the conclusion of any subsequent Measurement Period is below the QSI Threshold, the AUTHORITY shall (without prejudice to its other rights and remedies under this Schedule or under the general law) receive Service Credits in accordance with the terms of this Annex B.

5.2 Service Credits shall, subject to paragraph 7.1 below, be awarded to the AUTHORITY in accordance with paragraphs 5.3, 5.4 and 5.5 below.

- 5.3 The QSI Threshold Failure Service Credits shall be calculated in accordance with the following table:

QSI THRESHOLD FAILURE SERVICE CREDITS: DATA CENTRE SPACE RENTAL SERVICES		
Service Credit Band	Value of QSI	Service Credits as a percentage of combined Data Centre Space Rental Services Charge due for the Measurement Period.
1	37-40	0%
2	31-36	5%
3	26-30	10%
4	0-25	20%
QSI THRESHOLD FAILURE SERVICE CREDITS: DATA CENTRE OPERATIONS SERVICES		
Service Credit Band	Value of QSI	Service Credits as a percentage of Data Centre Operations Services Charge due for the Measurement Period.
1	155 - 165	0%
2	150 - 154	5%
3	145 - 149	10%
4	140 - 144	15%
5	0 - 139	20%

Table 5.3

- 5.4 In addition to the above Service Credits, the Frequency of Failure Service Credits shall be calculated in accordance with the following table:

FREQUENCY OF FAILURE SERVICE CREDITS: DATA CENTRE SPACE RENTAL SERVICES	
Number of immediately past consecutive Measurement Periods during which QSI = 36 or less	Service Credits as a percentage of combined Data Centre Space Rental Services Charge due for the Measurement Period.
1	Service Credit Bands 2-4 increase by 5% (e.g. Band 4 becomes 20%+5%=25%)
2+	Service Credit Bands 2-4 increase by 10% (e.g. Band 4 becomes 20% + 10% = 30%)
FREQUENCY OF FAILURE SERVICE CREDITS: DATA CENTRE OPERATIONS SERVICES	
Number of immediately past consecutive Measurement Periods during which QSI = 154 or less	Service Credits as a percentage of Data Centre Operations Services Charge due for the Measurement Period
1	Service Credit Bands 2-5 increase by 5%

	(e.g. Band 3 becomes 10% + 5% = 15%)
2+	Service Credit Bands 2-5 increase by 10% (e.g. Band 3 becomes 10% + 10% = 20%)
The above percentages will cease to apply when Service Credit Band 1 is achieved in a subsequent Measurement Period.	

Table 5.4

5.5 For repetitive failures of discrete KPIs where not included as part of Service Credits under paragraphs 5.3 and 5.4 above the Service Credit payment shall be calculated as 5% of the monthly Data Centre Space Rental Services Charges or monthly Data Centre Operations Services Charges as appropriate payable from the third and any subsequent Measurement Period thereafter that the KPI has not been met.

6. Reimbursement of Service Credits

6.1 Service Credits arising during a Measurement Period shall be deducted by the CONTRACTOR from the Charges (exclusive of VAT) for the Data Centre Space Rental Services and Data Centre Operations Services in accordance with Exhibit 7.

6.2 The Service Credits shall be payable by invoice for the Measurement Period during which the entitlement to those Service Credits arose. In the event that the Hosting Services are terminated for whatever reason and Service Credits are due to the AUTHORITY and the CONTRACTOR is not due any monies from the AUTHORITY then the CONTRACTOR shall pay the AUTHORITY the amount falling due within thirty (30) days.

6.3 For the avoidance of doubt, the CONTRACTOR shall credit the AUTHORITY (and continue to credit for any successive failures as appropriate), any and all sums falling due under paragraph 5.5 above by invoice for the Measurement Period in which the entitlement to the Service Credit arises.

7. General

7.1 The CONTRACTOR shall not be liable for Service Credits in the event that:

- (A) it can demonstrate to the AUTHORITY's reasonable satisfaction that the failure to achieve the Service Level is solely and directly due to the failure of the AUTHORITY or its Third Parties; or
- (B) measurement of any or all of KPIs D1, D3, D6, D7, D8, F4 and F6 is prevented by the failure of the Government Gateway Managed Services Provider to provide an appropriate automated measurement tool pursuant to any obligations for it to do so under the Government Gateway Managed Services Agreement.

7.2 Notwithstanding paragraph 7.1 above, the CONTRACTOR shall be responsible for the measurement of the performance of the Hosting Services in accordance with this Annex B to the extent that such Service Levels must be measured as denoted in Schedule 4, Annex C.

7.3 For the avoidance of doubt, Service Credits are not an exclusive remedy for failure by the CONTRACTOR to achieve KPIs and are also without prejudice

to any other rights of the AUTHORITY which may arise on the early termination of this Schedule or otherwise.

- 7.4 The Parties shall review the Service Credit regime at six (6) monthly intervals or other such date as may be agreed between the Parties through the Change Control Procedure.