

Schedule 3: Governance

1 Introduction

This Schedule sets out the governance and contract management principles which will apply throughout the Term under the following headings:

1. Introduction
2. Objectives
3. Contract Managers
4. Key Personnel
5. General Contract Management
6. Contract Management Meetings
7. Technology-based Services
8. Reporting
9. Problem Management
10. Escalation Procedure
11. Dispute Resolution Procedure
12. Service Improvement
13. Benchmarking

2 Objectives

The objectives of the governance measures set out in this Schedule are to:

- (a) provide a management structure with appropriate contract management procedures and service management procedures;
- (b) to assist in effective communication and collaboration; and
- (c) encourage the Service Provider in the provision of the Services to remain flexible throughout the Term to respond to the organisational changes and fluctuations in BBC demands consistent with the Key Principles.

3 Contract Managers

- (a) The BBC Contract Manager will be [s.38]xxxxxxxxxxxxxxxxxxxxxxxxxxxx or such other person as is notified by the Service Provider from time to time.
- (b) The Service Provider Contract Manager will be

[s.38]xxxxxxxxxxxxxxxxxxxxxxxxxxxx, Head of Service Delivery. Any change of Service Provider Contract Manager will be subject to the terms of Clause 9 (**Key Personnel**) of the Terms and Conditions.

4 Key Personnel

The Key Personnel for the purposes of this Contract are:

Name	Role
John Ricketts	Group Managing Director
[s.40(2)]xxxxxxxxxxxxxxxxxxxx	Group Operations Director
Barry Pugh	Group IT Director
[s.38]xxxxxxxxxxxxxxxxxxxx	BBC Contract Manager/Head of Service Delivery
TBC	BBC Account Director

5 General Contract Management

5.1 In addition to the meetings detailed in paragraph 6 below, the BBC Contract Manager and the Service Provider Contract Manager (plus any other individuals as appropriate) maintain whatever direct day to day contact is necessary to manage the provision of the Services.

5.2 Throughout the Term, the parties will work together to:

- (a) regularly review the Service Provider's performance in relation to all aspects of this Contract;
- (b) agree any changes to this Contract in accordance with the Change Control Procedure as set out in Schedule 6 (**Change Control**);
- (c) continually monitor the Service Provider's compliance with the Service Levels and the application of the Service Credits, both as set out in Schedule 4 (**Service Level Agreement**);
- (d) regularly review and assess the success of the provision of the Services and the development of the Services, making any necessary modifications; and
- (e) provide for the establishment and regular updating of the Minimum Information and the Exit Plan.

5.3 The Service Provider will provide:

- (a) such support to assist BBC planning for the provision of Services in relation to the Licence as is reasonably requested by the BBC; and

(b) such access to its senior management as reasonably requested by the BBC.

5.4 The BBC reserves the right for the BBC Contract Manager to be based at the Service Provider's premises on either a part or full time basis and in such event the Service Provider will provide secure, lockable office accommodation for the BBC Contract Manager's use with a phone, desk, chair and secure filing facilities. Any such facilities will be provided at the Service Provider's expense. The BBC will maintain suitable employers liability and public liability insurance policies providing cover for the BBC Contract Manager at the Service Provider's premises. The BBC will provide relevant copies of certificates to the Service Provider on request.

6 Contract Management Meetings

6.1 *Monthly Contract Management Meetings*

6.1.1 Monthly contract management meetings will be held at monthly intervals (or such other frequency as is agreed between the parties) throughout the Term, commencing on the Service Start Date, or on such other date as is agreed between the parties.

6.1.2 The minimum attendance at such meetings will be the BBC Contract Manager and the Service Provider Contract Manager.

6.1.3 The objective of such meetings will be to focus on operational issues including (but not limited to) current activities, regular reporting of current performance, changes to the Services, IT developments, strategy and forward planning.

6.1.4 The specific format and agenda for such meetings will be left to the discretion of the BBC Contract Manager and the Service Provider Contract Manager but will always include the following items:-

- (a) performance against Service Levels;
- (b) performance against revenue forecasts;
- (c) any proposed changes to the Services;
- (d) action plans to improve service;
- (e) compliance with the Accounting Responsibilities;
- (f) problem management in accordance with paragraph 9 below;
- (g) the volume, nature and status of any Customer complaints;
- (h) a review of recent Charges;
- (i) application of any financial remedies including (without limitation) Service Credits and Liquidated Damages;
- (j) consideration of actions resulting from the findings of Customer satisfaction surveys or other quality assurance measures conducted by or on behalf of the BBC;
- (k) publicity and advertising campaigns;
- (l) service improvement reports as described in paragraph 12 below;

- (m) objectives for coming months;
- (n) identify any issues requiring resolution to be owned by senior management
- (o) reviews of any proposals related to legislative or regulatory changes; and
- (p) any other issues which may impact upon the smooth and efficient operation of the Services.

6.1.5 All such meetings shall be chaired by the BBC Contract Manager. Written minutes of all meetings will be taken by the Service Provider and submitted to the BBC for approval no later than five (5) days following the meeting but such minutes will not vary or amend this Contract in any way unless incorporated through the Change Control Procedure.

6.1.6 The Service Provider will ensure the attendance of any member of staff or board member of the Service Provider at such meetings where reasonably requested by the BBC.

6.1.7 The Service Provider will as soon as reasonably possible after receipt of a written request from the BBC ensure the attendance of a board member of the Service Provider's parent company at a monthly management meeting.

6.2 **Quarterly Joint Planning Meetings**

6.2.1 Quarterly Joint Planning Meetings will be held promptly after the end of each Quarter throughout the Term.

6.2.2 The purpose of such meetings shall be to:-

- (a) review performance against the previous Quarter's quarterly activity plan;
- (b) resolve any issues escalated from the monthly contract meetings;
- (c) review all estimated Charges for the coming Quarter in accordance with Schedule 5 (**Service Charges**); and
- (d) agree a quarterly activity plan for the coming Quarter, and review the annual activities plan for the coming year.

6.2.3 The minimum attendance at such meetings will be the BBC Contract Manager and the Service Provider Contract Manager.

6.3 **Executive Review Meetings**

6.3.1 During the first twelve (12) months following the Service Start Date, meetings will be held promptly after the end of each Quarter between the BBC Head of Revenue Management and John Ricketts, iQor Group Managing Director, who will have the authority to bind the Service Provider.

6.3.2 After the first twelve (12) months following the Service Start Date, such meetings will be held on a six (6) monthly basis throughout the remainder of the Term.

6.3.3 The purpose of such meetings is to discuss the high level strategy for the:

- (a) provision of the Services; and

(b) operation of the Agreement.

6.3.4 The IQOR Global Group CEO (Vikas Kapoor or any individual who replaces him in that role) will attend such meetings on a six (6) monthly basis during the first year of the contract and annually thereafter for the remainder of the Term.

6.3.5 **Service Provider's Innovation Forum**

With effect from the Service Start Date, meetings will be held promptly after the end of each Quarter between the Service Provider's contract management team and BBC representatives to:

- (a) review current strategy with regard to innovation;
- (b) schedule currently presented innovations;
- (c) consider new technology to the marketplace which may be relevant to the Services;
- (d) consider new innovations adopted by the IQOR group of companies;
- (e) set strategic aims as details of new innovation becomes available; and
- (f) agree an implementation plan for any innovation to be undertaken.

7 Technology-based Services

7.1 The Service Provider will appoint an ITIL-qualified IT services manager who is responsible for all IT aspects of the provision of the Services.

7.2 The parties will meet on a monthly basis throughout the term to review of all technology-based aspects of the Services, using the ITIL guidelines as a framework.

7.3 The Service Provider and the BBC will agree a customer satisfaction scorecard which measures the level of the BBC's satisfaction with the provision of all technology-based aspects of the Services on a Quarterly basis and the terms of such scorecard will be reviewed by the parties every three (3) months during the Term.

7.4 The Service Provider will create and implement a service improvement plan to address any areas of unsatisfactory performance identified by the scorecard referred to in paragraph 7.3 above.

7.5 The Service Provider will manage the provision of the Services in accordance with the BBC Service Management Framework attached at Annex 2 to this Schedule.

8 Reporting

8.1 The Service Provider will provide a monthly report in relation to its performance no later than the (6th) Working Day of each calendar month during the Term, such report to cover the provision of the Services during the previous calendar month (or over such other period of time as is expressly stated in Annex 1).

8.2 The list of reports to be provided by the Service Provider under paragraph 8.1 are listed in Annex 1 to this Schedule, such list to be subject to ongoing review by the BBC and the Service Provider and amended where necessary.

8.3 The Service Provider will provide a daily report to the BBC setting out:-

- (a) the number of applications received by channel; and
- (b) the total amount of money collected by channel.

8.4 The Service Provider will provide any further reports reasonably requested by the BBC.

8.5 The Service Provider will endeavour to develop online access to reporting information for the BBC.

9 Problem Management

9.1 For the purposes of this paragraph 9, "**Problem**" shall mean any problem or issue affecting the operation of the Services.

9.2 The Service Provider will submit a Problem management procedure for the BBC's approval no less than one (1) month prior to the Service Start Date, which will include procedures for:-

- (a) prioritising Problems;
- (b) reporting progress on the resolution of Problems; and
- (c) escalating Problems.

9.3 The Service Provider's Problem management procedure will allow the adjustment of the priority level of Problems based on the severity of the Problem and will take into account the length of time which it has taken or is likely to take to achieve resolution.

9.4 The Service Provider will implement the Problem management procedure once agreed with the BBC pursuant to paragraph 9.2.

9.5 The Service Provider will notify the BBC Contract Manager as soon as reasonably practicable and provide an exception report (including details of the reason for failure and of any action being taken to remedy the situation) in the event of any failure to meet any of the following:-

- (a) the Service Levels;
- (b) the Security Plan; or
- (c) the BBC Policies.

9.6 The Service Provider will notify the BBC Contract Manager and provide an exception report (including details of the reason for failure and of any action being taken to remedy the situation) within twenty four (24) hours of notification in the event of any major systems failure or a failure to transfer funds and/or data in accordance with Schedule 8 (**Accounting Responsibilities**).

10 Escalation Procedure

10.1 Any dispute which arises in relation to any aspect of this Contract will be subject to the Escalation Procedure set out in the table below.

10.2 If the Level 1 representatives are unable to resolve the dispute within the period identified in the table set out in paragraph 10.4 below (or such other period as the relevant representatives of the parties may agree) then escalation shall continue in relation to each successive level in accordance with the timetable.

10.3 The joint and unanimous decision of the representatives at whatever level will be binding on the parties. If a dispute referred to Level 4 is not resolved then the Dispute Resolution Procedure set out in paragraph 11 below will apply.

10.4 For the purposes of this paragraph 10, the following is the escalation timetable:-

Level	Service Provider Representative	BBC Representative	Working Days for Resolution
1	BBC Contract Manager/Head of Service Delivery	BBC Contract Manager	10
2	Group Operations Director	BBC TV Licensing Head of Sales and Marketing	10
3	BBC Account Director	BBC TV Licensing Head of Revenue Management	5
4	UK Group Managing Director	BBC Group Finance Director	5

10.5 The BBC and the Service Provider will continue to perform their respective obligations under this Contract pending the resolution of a dispute under the Escalation Procedure, provided that nothing in this paragraph 10 prevents or restricts either party from lawfully exercising any of its rights under this paragraph 10.

11 Dispute Resolution Procedure

11.1 In the event that any dispute or difference between the parties is not resolved pursuant to the Escalation Procedure set out in paragraph 10 above, the matter will referred to mediation in accordance with this paragraph 11, unless within twenty eight (28) days of becoming aware that such dispute or difference has not been resolved pursuant to the Escalation Procedure the BBC either:

- (a) refers the dispute to Arbitration under the Rules of Arbitration of the International Chamber of Commerce as in force from time to time, which rules are deemed to be

incorporated by reference into this paragraph 11; or

(b) opts to seek expert resolution.

- 11.2 If the BBC proposes resolution of the matter by expert, (acting as an expert, not an arbitrator) the expert will be appointed by agreement between the parties, or failing that by the President for the time being of the Law Society of England & Wales. The decision of the expert will be final and binding in the absence of manifest error. The costs of the parties and the expert will be awarded by the expert at his/her discretion.
- 11.3 In the event that the dispute is referred to mediation, the dispute will be settled by mediation in accordance with the Centre for Effective Dispute Resolution ("CEDR") Model Mediation Procedure (the "**Model Procedure**").
- 11.4 To initiate mediation, a party must give notice in writing (an "**ADR Notice**") to the other party requesting mediation in accordance with the Model Procedure. A copy of the ADR Notice will be sent to CEDR by the party requesting mediation.
- 11.5 If there is any point on the conduct of the mediation (including as to the nomination of the mediator) upon which the parties cannot agree within fourteen (14) days from the date of the ADR Notice, the CEDR will, at the request of any party, decide that point for the parties, having consulted with them.
- 11.6 Mediation will commence no later than twenty-eight (28) days after the date of the ADR Notice.
- 11.7 In the event that mediation fails to resolve the disputed matter, unless within twenty eight (28) days of becoming aware that mediation has failed to resolve the dispute or difference the BBC either:
- (a) refers the dispute to Arbitration under the Rules of Arbitration of the International Chamber of Commerce as in force from time to time, which Rules are deemed to be incorporated by reference into this paragraph 11; or
 - (b) opts to seek expert resolution,
- either party may commence legal proceedings.
- 11.8 The BBC and the Service Provider will continue to perform their respective obligations under this Contract pending the resolution of a dispute under the Dispute Resolution Procedure, provided that nothing in this paragraph 11 prevents or restricts either party from lawfully exercising any of its rights under this paragraph 11.

12 Service Improvement

- 12.1 The Service Provider will produce annually, by the end of each calendar year of the Term, a service improvement report for the subsequent calendar year, which will set out:-
- (a) the potential improvement opportunities for the effectiveness and/or the efficiency of the Services; and
 - (b) where appropriate, any service improvements which have been made during the

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Annex 2: BBC Service Management Framework

- 1 The Service Provider will operate a Service Management Framework in accordance with ITIL, including but not limited to the following:
 - (a) Service Support
 - (i) Configuration Management - the management of critical assets (the "Configuration Items"), such as hardware, software, documentation and Personnel.
 - (ii) Incident & Problem Management - the prevention and resolution of technology failures.
 - (iii) Change Management - the management of controlled changes to the Configuration Items.
 - (iv) Service Desk – the management of business support mechanisms.
 - (v) Release Management - the management of software implementation and distribution.
 - (b) Service Delivery
 - (i) Service Level Management - the measurement of the Service Provider's performance against internal and external service level agreements.
 - (ii) Capacity Management - the measurement of the performance of the IT infrastructure.
 - (iii) Continuity Management - the measurement of the Service Provider's readiness for IT disaster recovery.
 - (iv) Availability Management - the measurement of the availability of the IT services.
 - (v) IT Financial Management - the measurement of the value for money of the IT service investments
- 2 The Service Provider will provide information at the Monthly Contract Management Meetings to demonstrate that processes and management information systems are in place to manage and monitor the service support and service delivery.