

**SCHEDULE F**  
**SERVICE LEVEL REQUIREMENTS**

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**SCHEDULE F****SERVICE LEVEL REQUIREMENTS****1 STRUCTURE OF SCHEDULE F**

1.1 This Schedule is divided into three parts:

1.1.1 **Schedule F, Part 1 – Service Level Terms.** This part sets out certain terms and conditions that apply specifically to the Service Levels described in this Schedule.

1.1.2 **Schedule F, Part 2 – Operational Service Levels.** This part defines the operational Service Levels for finger and palm Services under IDENT1 that the Contractor is required to meet from TOR to the end of the Term (as such Service Levels are amended from time to time in accordance with the Contract).

1.1.3 **Schedule F, Part 3 – Livescan Service Levels.** This part defines the Service Levels for Livescan that the Contractor is required to meet from TOR to the end of the Term, as such Service Levels are amended from time to time in accordance with the Contract.

1.2 The Parties may add new parts to this Schedule to incorporate Services Levels for New Services which are agreed through Schedule L (**Change Control Procedure**) which do not fall within Parts 2 and 3 of this Schedule.

**SCHEDULE F, PART 1**  
**SERVICE LEVELS TERMS CONTENTS**

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## 1 DEFINITIONS

All capitalised terms in this Schedule shall have the meaning set out in Schedule C (**Definitions**).

## 2 SERVICE LEVELS - INTRODUCTION

### 2.1 General

- 2.1.1 This Schedule identifies the Service Levels that are the key performance indicators in assuring service delivery for the overall Service. The Contractor is obligated to meet or exceed the Service Levels identified in this Schedule. This Schedule describes the:
  - (i) consequences if the relevant Service Levels are not met by the Contractor as specified in this Schedule, including the Service Credits to which the Authority shall be entitled, at its sole discretion, if the Contractor fails to meet such Service Levels; and
  - (ii) Service Incentive Payments the Contractor will receive from the Authority if the Contractor exceeds the Service Levels as specified in this Schedule.
- 2.1.2 The Contractor shall perform the Services in accordance with Clause 10.1 of Schedule B (**Conditions of Contract**).
- 2.1.3 Unless otherwise specified in the Contract, the Service Levels shall be measured on a monthly basis, and they will form the basis upon which the Contractor will be remunerated as set out in Schedule E (**Pricing**).
- 2.1.4 As part of the Contractor's overall responsibilities under the Contract, the Parties acknowledge that the day-to-day management of Service Level performance shall be carried out by the Contractor's service management personnel. The Contractor's service management personnel shall provide the Service Level reports to the Authority in accordance with this Schedule.
- 2.1.5 Unless otherwise set out in this Schedule, any changes to the Service Levels shall be subject to the Change Control Procedure.
- 2.1.6 During the Term, the Contractor shall have a service level regime in place with its Subcontractors so that the Contractor is able to achieve the Service Levels set out in this Schedule. The Parties may agree, in accordance with Schedule L (**Change Control Schedule**), that the Contractor will manage certain third parties, as requested and identified by the Authority after the Effective Date, and if so requested by the Authority, the Parties shall work together to identify and agree any service levels required in relation to the management of such third parties.
- 2.1.7 Unless otherwise specified, throughout this Schedule and the Contract (as applicable), references to "Schedule F" shall be taken to mean Schedule F, Part 1; Schedule F, Part 2; and Schedule F, Part 3 (as applicable) or all of them together, as appropriate.
- 2.1.8 In the event of a conflict between Part 1 of this Schedule and Part 2 and/or Part 3 (as applicable), the provisions of Part 1 shall apply.
- 2.1.9 Part 2 and 3 (and any additional Parts as applicable) shall be reviewed between the Authority and the Contractor, at least annually, to validate the applicability of the content and to identify and implement any agreed changes that would benefit the overall Service.

## 2.2 Measuring the Service Levels - Overview

- 2.2.1 The description of the IDENT1 Service Level regime set out in this Clause 2.2 is a summary of the more detailed Service Level regime set out in Parts 2 and 3 of this Schedule. This Schedule identifies how the Contractor's performance of the Services identified in this Schedule shall be measured. Such Services are divided into categories of Service – these are: system category, business category, and user category ("**Service Category**").
- 2.2.2 Parts 2 and 3 of this Schedule identify the **Service Level Criteria**, for example, availability, accuracy, throughput, etc (i.e. the Service Level Criteria) and service measurement metrics (i.e. the **Service Level Metrics**) that shall be used to calculate the Contractor's performance under each of the Service Categories.
- 2.2.3 Parts 2 and 3 of this Schedule contain various scoring tables ("**Scoring Tables**") and formulas that identify the relevant Target Service Levels (and corresponding Target Service Score) the Contractor is required to meet, and a sliding scale (upwards and downwards) of performance which is measured and mapped to the relevant Service Score in the Scoring Tables. In addition to identifying the Target Service Score, such sliding scale also identifies the Maximum Allowable Score and the Minimum Allowable Score in respect of such performance.
- 2.2.4 Once a performance value has been computed to reflect the Contractor's actual performance in relation to the relevant Target Service Level, a corresponding Service Score for such performance ("**Individual Score**") will be selected from the relevant Scoring Table.
- 2.2.5 On a monthly basis, the Service Scores shall be accumulated in accordance with the mechanisms set out in this Schedule for calculating the overall score for the relevant Service ("**Overall Score**"). The Service Credits and Service Incentive Payments shall be calculated in accordance with Schedule E (**Pricing**) and shall be based on the Overall Score achieved by the Contractor for the relevant Month. This Schedule also sets out the Weightings that are to be applied in order to calculate the Overall Score.
- 2.2.6 The reporting mechanisms and procedures used for monitoring and managing the Service Levels are set out in this Schedule.

## 3 CHANGES

Service Level Metrics may be added, deleted or modified through Schedule L (**Change Control Procedure**). It is recognised that there are circumstances where a more expeditious means of making changes is needed, and those changes may be made in accordance with the provisions of this Clause 3. Such addition, deletion or modification of Service Level Metrics shall apply from the date determined by Clauses 3.1, 3.2, 3.3 or 3.4 below and the Contractor shall meet or exceed such amended Service Levels from that date. The Authority shall be entitled to reassign the Weightings as a part of the process for such addition, deletion or modification to reflect such added, deleted or modified Service Level Metrics and the Contractor shall not unreasonably (taking account of the proportionality of the reassignment with respect to the overall Service Levels) withhold its consent to such reassignment of the Weightings.

### 3.1 Additions

#### 3.1.1 New Services – Adding Metrics for New Services

New Services and any corresponding new service levels (including any new service level criteria and/or new service level metrics) required for such New Services shall be agreed by the Parties in accordance with Schedule L (**Change Control Procedure**).

#### 3.1.2 Current Services – Adding Metrics for Existing Services

(a) At any time during the Term, Service Level Metrics (as applicable) may be added to this Schedule without any change to the Service Charges in accordance with this Clause 3.1.2 if the Authority is able to identify to the Contractor that the existing Service Level Criteria or Service Level Metrics do not sufficiently (or at all) represent or cover the performance of the then current Service or other requirement of the Contract. The addition of such new Service Level Metrics will be initiated by the Authority sending a written request to the Contractor at least thirty (30) days prior to the date that the Authority requires such additional Service Level Criteria or Service Level Metrics (as applicable) to be effective. The Contractor shall not unreasonably (taking account of the proportionality of the Authority's request with respect to the Service Level Metric and its Weighting within the overall Service Levels) withhold its consent to the introduction of such new Service Level Metrics. Such new Service Level Metrics shall be established in accordance with the following, as appropriate:

- (i) based on an Authority Requirement set out in Schedule D (**Detailed Operational Requirements**) and/or any obligation under the Contract, the Authority shall be entitled to identify a Target Service Level for the new Service Level Metric; or
- (ii) in the event a new target service level cannot be established in accordance with Clause 3.1.2(a) (i) above, the Parties shall agree the new service level based on:
  - (A) using data from a comparable Service Level for an existing element of the Services Requirements; or
  - (B) by the Contractor monitoring and testing the proposed new service level for a period of six (6) Months (unless a different period is agreed by the Parties).

(b) Without prejudice to the Parties' rights under the Contract, if the Parties fail to agree to the addition of a new service level pursuant to Clause 3.1.2(a) (including, for the avoidance of doubt, agreement pursuant to Clause 3.1.2(a)(ii)(B).) above prior to the date that the Authority requires such Service Level to be effective, the Contractor shall continue to perform the relevant Service and such failure to agree shall be escalated in accordance with the escalation process set out in Clause 5 below.

#### 3.1.3 Adding Service Level Metrics based on the Shadow Metrics

(a) The Shadow Metrics are set out in Parts 2 and 3 of this Schedule along with the procedures for monitoring and testing such Shadow Metrics. Either Party

may propose to add other Shadow Metrics to this Schedule at any time after the Effective Date by writing to the other Party and detailing how such proposed Shadow Metrics shall be monitored and tested. The other Party shall respond to such proposals, and thereafter, the Parties shall work together to agree the relevant Shadow Metrics and their monitoring and testing. If the Parties cannot agree on the Shadow Metrics and their monitoring and testing, such disagreement shall be settled in accordance with Schedule P (**Dispute Resolution Procedure**).

- (b) Unless otherwise agreed by the Parties, the Measurement Window for the Shadow Metrics shall be six (6) Months, as amended from time to time in accordance with Clause 3.1.3(d) below. The Shadow Metrics detailed in Parts 2 and 3 at the Effective Date shall be monitored and tested by the Contractor for the Measurement Window which shall commence on the Effective Date.
- (c) Any Shadow Metrics added to this Schedule after the Effective Date shall be monitored and tested by the Contractor for a Measurement Window which shall commence on the date agreed by the Parties.
- (d) At the end of, or at any time during, the Measurement Window(s) for the relevant Shadow Metrics, the Parties may agree to extend or reduce the period of the Measurement Window.
- (e) At the end of the Measurement Window for the Shadow Metrics, the resulting data will be reviewed by the Parties to determine if the relevant Shadow Metric shall be implemented as a part of the Service Level regime and the basis for its measurement and scoring, subject to the agreement of the Parties. Such implementation of Service Level Metrics as Service Levels in accordance with this Clause 3.1.3 shall be made without any change to the Service Charges.

### 3.2 Deletions

At any time during the Term, the Authority may request the deletion of Service Level Metrics (acting reasonably and for good business reasons) where it is able to identify to the Contractor that the Service Level Metrics do not sufficiently represent or cover the performance of the then current Service or other requirements of the Contract by sending written notice to the Contractor at least thirty (30) days prior to the date that the Authority requests such deletions to the Service Level Metrics to be effective and the Contractor shall not unreasonably (taking account of the proportionality of the Authority's request with respect to the Service Level Metrics to be deleted and to the overall Service Levels) withhold its consent to the deletion of such Service Levels. Such deletions shall be made without any change to the Service Charges. This Schedule shall be updated to reflect the deletion of any Service Level Metrics.

### 3.3 Modifications

At any time during the Term, the Authority may amend the Service Level Metrics (acting reasonably and for good business reasons) where it is able to identify to the Contractor that the Service Level Metrics do not sufficiently represent or cover the performance of the then current Service or other requirements of the Contract by sending written notice to the Contractor at least thirty (30) days prior to the date that the Authority requires such amended Service Levels to be effective and the Contractor shall not unreasonably (taking account of the proportionality of the Authority's request with respect to the Service Level Metrics to be



amended and to the overall Service Levels) withhold its consent to such amendment of the Service Level Metrics. If such amendment affects the Service Charges, the Parties shall agree such change to the Service Charges (if any) in accordance with Schedule L (**Change Control Procedure**). This Schedule shall be updated to reflect the modification of any Service Level Metrics.

### 3.4 Weightings

At any time during the Term, the Authority may make changes to the Weightings for any Service Level Metric (acting reasonably and for good business reasons) where it is able to identify to the Contractor that the existing Weightings do not sufficiently represent or cover the performance of the then current Service or other requirements of the Contract, by sending written notice to the Contractor at least thirty (30) days prior to the date the Authority requires such Weightings to be effective, and the Contractor shall not unreasonably (taking account of the proportionality of the Authority's request with respect to the Weightings to the overall Service Levels) withhold its consent to such changes to the Weightings. This Schedule shall be updated to reflect any change to the Weightings and such changes shall not affect the Service Charges.

## 4 CONTINUOUS IMPROVEMENT

### 4.1 General

The Parties agree to the principle of continuous improvement of service performance and that the Service Levels should be modified during the Term to reflect this. Unless otherwise agreed by the Parties, the Service Levels will be modified each year upon the anniversary of TOR as described in this Clause 4. The modifications as described in this Clause 4 are in addition to any stepped changes in Target Service Levels which are identified in the relevant parts of this Schedule.

### 4.2 Continuous Improvement

4.2.1 Subject to Clauses 4.2.2, 4.2.3, and 4.2.4, below, each established Target Service Level shall be reset upwards by 20% of the difference between the mean actual performance measure of the relevant Service Metric over the preceding twelve (12) months and its corresponding Target Service Level, unless the Contractor can demonstrate that such actual performance is not sustainable due to particular circumstances during the previous or next twelve (12) Months. If the Target Service Level is reset in accordance with this Clause 4.2.1, the levels of performance above or below such Target Service Level shall be reset by the same percentage as the Target Service Level. Service Levels cannot be decreased without the express written consent of the Authority.

4.2.2 In the event that there are any stepped changes to a Target Service Level during the Term (provided such stepped changes are identified in the relevant parts of this Schedule), the Parties will reset the twelve (12) Months measurement period (described in Clause 4.2.1 above) for that Target Service Level so that the first Month of measurement begins from the date the stepped change occurred.

4.2.3 For any Service Levels which are not measured on a sliding scale basis (for example, a Service Level of "no more than two (2) failures in any measurement period") where the mean actual performance in the preceding calendar year was above the Service Level, the Parties will agree a mechanism for continuous improvement which:

- (a) reflects a similar intention; and

(b) provides for a reasonable Service Level increase,  
in terms similar to the regime detailed in Clauses 4.2.1 to 4.2.2 above.

4.2.4 The Authority shall be entitled, at its sole discretion, to waive the resetting of the Target Service Levels under Clause 4.2.1 and Clause 4.2.3 above.

## 5 ESCALATION OF SERVICE-RELATED FAILURE

### 5.1 Responsibilities

5.1.1 The Contractor shall take all reasonable steps to ensure that all Service Level Metrics remain at or above the Target Service Levels. Each Party shall use the escalation procedure set out in this Clause 5 to try to resolve outstanding issues relating to service performance and to raise awareness of any matters that have, or may have, a material impact on the performance of the Services.

5.1.2 The Service Credit and Service Incentive Payment provisions of this Schedule shall continue to apply throughout the operation of the escalation procedures set out in this Clause 5.

### 5.2 Pro-Active Measures

5.2.1 Prior to any Recovery Plan being put in place in accordance with Clause 5.3 below, the Contractor will take pro-active measures to prevent performance falling below the Target Service Levels specified in Parts 2 and 3 of this Schedule (as applicable). Such failure shall be known as a **“Service Level Failure”**.

5.2.2 Without prejudice to the Authority’s other rights and remedies, if a Service Level Failure occurs where the Service Score for any Service Level Metric is below 95, the Contractor shall:

- (a) report the occurrence to the Authority as soon as it has the information indicating that such Service Level Failure may occur;
- (b) take corrective action and test to assure the Service Level Failure is resolved by that corrective action;
- (c) take appropriate preventive measures so that such Service Level Failure does not recur;
- (d) investigate and report on the causes of such Service Level Failure (including an explanation of how and why the required pro-active measures failed to prevent such Service Level Failure); and
- (e) advise the Authority, as and to the extent requested by Authority, of the status of remedial efforts being undertaken with respect to such Service Level Failure.

### 5.3 Escalation Procedure for Service Level Failures

#### 5.3.1 General

- (a) Without prejudice to the general provisions set out in Clause 5.2 above and/or the Parties entitlement to commence the Dispute Resolution Procedure set out in Schedule P (**Dispute Resolution Procedure**) at any time, the escalation

procedures set out in this Clause 5 are intended to enable the Parties to manage effectively continued, or worsening Service Level Failures.

- (b) The Authority and the Contractor shall review the Monthly Service Reports and Exception Reports provided to the Authority in accordance with Clause 7 below.

5.3.2 The following procedures shall be enacted if the Exception Reports identify any of the following Service Level Failures:

- (a) if the Service Score for a Service Level Metric is below 80 for 1 Month or below 90 for three (3) consecutive Months; or below 95 for six (6) consecutive months or
- (b) if the Overall weighted average Score for the Services is below 90 for 1 Month or below 95 for any three (3) consecutive Months;
- (c) or if the Individual Score for a Bureau falls below 90 for 1 Month or 95 for three (3) consecutive Months, then:
  - (i) the Contractor shall promptly contact the Authority and the Parties shall review the need for a Recovery Plan. The scope and format of all Recovery Plans shall be agreed by the Parties and documented by the Contractor in the Policies and Procedures Manual. If the Authority decides that a Recovery Plan is required, it shall be submitted to the Authority within five (5) Working Days of such decision. The plan shall specify the proposed activities and recovery period to bring the Service Levels back to the Target Service Levels. Such recovery period shall be limited to the minimum practical period possible in the circumstances. Unless otherwise agreed by the Authority, the maximum recovery period for a Recovery Plan shall be three (3) Months;
  - (ii) the Authority shall, within a reasonable time (having due regard to the Contractor's obligations in this Clause 5.3.2), review the Recovery Plan (including the activities and the time-scales), and decide whether the Contractor shall proceed in accordance with the proposed Recovery Plan or submit a revised Recovery Plan for approval;
  - (iii) the Contractor shall implement the Recovery Plan approved under Clause 5.3.2(c)(i) within the time-scales set out in the Recovery Plan;
  - (iv) the status of implementation of the Recovery Plan shall be reported by the Contractor on a weekly basis (simple written report) and shall be reviewed by the Parties as part of the regular (monthly) Program Status Reviews; if on the expiry of the Recovery Plan, the relevant Service Level Failure under review remains below the levels set out in Clause 5.3.2(a), (b) and/or (c), then:
    - (A) the process set out in this Clause 5.3.2 shall be repeated (potentially, with modifications directed by the Authority), at the Authority's sole discretion; or

- (B) the Authority may escalate resolution of the Service Level Failure in accordance with Schedule P (**Dispute Resolution Procedure**), at the Authority's sole discretion.

5.3.3 Notwithstanding the provisions in Clauses 5.3.1 and 5.3.2 above, if any Service Level falls below the Minimum Allowable Score for three (3) consecutive Months or more and is not corrected via the recovery process in Clause 5.3.2, then it shall be deemed a material Default and the Authority, at its sole discretion, shall be entitled to terminate the Contract in accordance with Clause 43 of Schedule B (**Conditions of Contract**).

## 6 EXCEPTIONS

The Contractor shall not be responsible for a failure to meet any Service Level (and shall not be required to pay any Service Credit to the Authority relating to such failure) to the extent that such failure is attributable to a Force Majeure Event in accordance with Clause 47 of Schedule B (**Conditions of Contract**).

## 7 REPORTS

- 7.1 Unless otherwise specified in this Schedule, each Service Level shall be measured on a monthly basis and the Contractor shall provide a Monthly Service Level Report which includes information on Service Levels, including an Exception Report. Exception Reports must be provided where the Service Score for any Service Level Metric is below 95. The exact format of monthly Service Level Reports and Exception Reports will be agreed by the Parties and documented by the Contractor in the Policies and Procedures Manual.
- 7.2 The scope and format of the Exception Reports shall be agreed by the Parties and documented by the Contractor in the Policies and Procedures Manual. Each Exception Report will include a statement assessing the need for further remedial action to prevent a recurrence of the Service Level Failure. The Exception Reports shall include the identification of trends for individual Service Level Metric and/or any other affected Service Level Metrics and indicate where any action has been taken by the Contractor
- 7.3 Where further remedial action is required to meet the relevant Target Service Levels, the Contractor shall provide a Recovery Plan in accordance with Clause 5 above.

## 8 CALCULATION OF SERVICE PAYMENT ADJUSTMENT

### 8.1 Introduction

- 8.1.1 This section describes adjustment to the Service Charges associated with the IDENT1 SLR.
- 8.1.2 Adjustments are either Service Credits that reduce the Monthly Baseline Charges set out in Schedule E (**Pricing**) or Service Incentive Payments that increase the Monthly Baseline Charges.
- 8.1.3 Service payment adjustment is based on the quality of service delivered to the individual IDENT1 sites. Quality of service is measured by Service Level Metrics measuring the performance of a number of Service Level Criteria.
- 8.1.4 The maximum amount of Service Credit by which the Monthly Baseline Charge can be adjusted is capped at 30% of the Monthly Baseline Charges even if the overall Service Score falls below 70.

- 8.1.5 The maximum amount of Service Incentive Payments by which the Monthly Baseline Charges can be adjusted is capped at 10% of the Monthly Baseline Charges even if the overall Service Score exceeds 110.

## 8.2 Service Score Calculation

- 8.2.1 Calculation of overall Service Score for IDENT1 Services and Livescan Services is described in Part 2 and Part 3 of this schedule respectively. Service Score is expressed as a number between 50 (the Minimum Allowable Score) and 120 (the Maximum Allowable Score).
- 8.2.2 Service Scores greater than 100 represent Service Incentives. Service Credits below 100 represent Service Credits.
- 8.2.3 The Adjusted Monthly Baseline Charges are calculated by multiplying the Monthly Baseline Charges by the Service Score expressed as a percentage, subject to the limits described in Clauses 8.1.4 and 8.1.5 above. That is, a service score of 100 is considered as 100% for this calculation.
- 8.2.4 Service Scores are presented and agreed on a monthly basis with the Authority.

## 8.3 Monthly Baseline Charges - Payment

The mechanisms around payment are detailed in Schedule E (**Pricing**).

**SCHEDULE F**  
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**SCHEDULE F****SERVICE LEVEL REQUIREMENTS****1 STRUCTURE OF SCHEDULE F**

1.1 This Schedule is divided into three parts:

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1.2 The Parties may add new parts to this Schedule to incorporate Services Levels for New Services which are agreed through Schedule L (**Change Control Procedure**) which do not fall within Parts 2 and 3 of this Schedule.

**SCHEDULE F, PART 1**  
**SERVICE LEVELS TERMS CONTENTS**



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  - (ii) Service Incentive Payments the Contractor will receive from the Authority if the Contractor exceeds the Service Levels as specified in this Schedule.
- 2.1.2 The Contractor shall perform the Services in accordance with Clause 10.1 of Schedule B (**Conditions of Contract**).
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- 2.1.4 As part of the Contractor's overall responsibilities under the Contract, the Parties acknowledge that the day-to-day management of Service Level performance shall be carried out by the Contractor's service management personnel. The Contractor's service management personnel shall provide the Service Level reports to the Authority in accordance with this Schedule.
- 2.1.5 Unless otherwise set out in this Schedule, any changes to the Service Levels shall be subject to the Change Control Procedure.
- 2.1.6 During the Term, the Contractor shall have a service level regime in place with its Subcontractors so that the Contractor is able to achieve the Service Levels set out in this Schedule. The Parties may agree, in accordance with Schedule L (**Change Control Schedule**), that the Contractor will manage certain third parties, as requested and identified by the Authority after the Effective Date, and if so requested by the Authority, the Parties shall work together to identify and agree any service levels required in relation to the management of such third parties.
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- 2.2.4 Once a performance value has been computed to reflect the Contractor's actual performance in relation to the relevant Target Service Level, a corresponding Service Score for such performance ("**Individual Score**") will be selected from the relevant Scoring Table.
- 2.2.5 On a monthly basis, the Service Scores shall be accumulated in accordance with the mechanisms set out in this Schedule for calculating the overall score for the relevant Service ("**Overall Score**"). The Service Credits and Service Incentive Payments shall be calculated in accordance with Schedule E (**Pricing**) and shall be based on the Overall Score achieved by the Contractor for the relevant Month. This Schedule also sets out the Weightings that are to be applied in order to calculate the Overall Score.
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## 3 CHANGES

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### 3.1 Additions

#### 3.1.1 New Services – Adding Metrics for New Services

New Services and any corresponding new service levels (including any new service level criteria and/or new service level metrics) required for such New Services shall be agreed by the Parties in accordance with Schedule L (**Change Control Procedure**).

#### 3.1.2 Current Services – Adding Metrics for Existing Services

(a) At any time during the Term, Service Level Metrics (as applicable) may be added to this Schedule without any change to the Service Charges in accordance with this Clause 3.1.2 if the Authority is able to identify to the Contractor that the existing Service Level Criteria or Service Level Metrics do not sufficiently (or at all) represent or cover the performance of the then current Service or other requirement of the Contract. The addition of such new Service Level Metrics will be initiated by the Authority sending a written request to the Contractor at least thirty (30) days prior to the date that the Authority requires such additional Service Level Criteria or Service Level Metrics (as applicable) to be effective. The Contractor shall not unreasonably (taking account of the proportionality of the Authority's request with respect to the Service Level Metric and its Weighting within the overall Service Levels) withhold its consent to the introduction of such new Service Level Metrics. Such new Service Level Metrics shall be established in accordance with the following, as appropriate:

- (i) based on an Authority Requirement set out in Schedule D (**Detailed Operational Requirements**) and/or any obligation under the Contract, the Authority shall be entitled to identify a Target Service Level for the new Service Level Metric; or
- (ii) in the event a new target service level cannot be established in accordance with Clause 3.1.2(a) (i) above, the Parties shall agree the new service level based on:
  - (A) using data from a comparable Service Level for an existing element of the Services Requirements; or
  - (B) by the Contractor monitoring and testing the proposed new service level for a period of six (6) Months (unless a different period is agreed by the Parties).

(b) Without prejudice to the Parties' rights under the Contract, if the Parties fail to agree to the addition of a new service level pursuant to Clause 3.1.2(a) (including, for the avoidance of doubt, agreement pursuant to Clause 3.1.2(a)(ii)(B).) above prior to the date that the Authority requires such Service Level to be effective, the Contractor shall continue to perform the relevant Service and such failure to agree shall be escalated in accordance with the escalation process set out in Clause 5 below.

#### 3.1.3 Adding Service Level Metrics based on the Shadow Metrics

(a) The Shadow Metrics are set out in Parts 2 and 3 of this Schedule along with the procedures for monitoring and testing such Shadow Metrics. Either Party

may propose to add other Shadow Metrics to this Schedule at any time after the Effective Date by writing to the other Party and detailing how such proposed Shadow Metrics shall be monitored and tested. The other Party shall respond to such proposals, and thereafter, the Parties shall work together to agree the relevant Shadow Metrics and their monitoring and testing. If the Parties cannot agree on the Shadow Metrics and their monitoring and testing, such disagreement shall be settled in accordance with Schedule P (**Dispute Resolution Procedure**).

- (b) Unless otherwise agreed by the Parties, the Measurement Window for the Shadow Metrics shall be six (6) Months, as amended from time to time in accordance with Clause 3.1.3(d) below. The Shadow Metrics detailed in Parts 2 and 3 at the Effective Date shall be monitored and tested by the Contractor for the Measurement Window which shall commence on the Effective Date.
- (c) Any Shadow Metrics added to this Schedule after the Effective Date shall be monitored and tested by the Contractor for a Measurement Window which shall commence on the date agreed by the Parties.
- (d) At the end of, or at any time during, the Measurement Window(s) for the relevant Shadow Metrics, the Parties may agree to extend or reduce the period of the Measurement Window.
- (e) At the end of the Measurement Window for the Shadow Metrics, the resulting data will be reviewed by the Parties to determine if the relevant Shadow Metric shall be implemented as a part of the Service Level regime and the basis for its measurement and scoring, subject to the agreement of the Parties. Such implementation of Service Level Metrics as Service Levels in accordance with this Clause 3.1.3 shall be made without any change to the Service Charges.

### 3.2 Deletions

At any time during the Term, the Authority may request the deletion of Service Level Metrics (acting reasonably and for good business reasons) where it is able to identify to the Contractor that the Service Level Metrics do not sufficiently represent or cover the performance of the then current Service or other requirements of the Contract by sending written notice to the Contractor at least thirty (30) days prior to the date that the Authority requests such deletions to the Service Level Metrics to be effective and the Contractor shall not unreasonably (taking account of the proportionality of the Authority's request with respect to the Service Level Metrics to be deleted and to the overall Service Levels) withhold its consent to the deletion of such Service Levels. Such deletions shall be made without any change to the Service Charges. This Schedule shall be updated to reflect the deletion of any Service Level Metrics.

### 3.3 Modifications

At any time during the Term, the Authority may amend the Service Level Metrics (acting reasonably and for good business reasons) where it is able to identify to the Contractor that the Service Level Metrics do not sufficiently represent or cover the performance of the then current Service or other requirements of the Contract by sending written notice to the Contractor at least thirty (30) days prior to the date that the Authority requires such amended Service Levels to be effective and the Contractor shall not unreasonably (taking account of the proportionality of the Authority's request with respect to the Service Level Metrics to be

amended and to the overall Service Levels) withhold its consent to such amendment of the Service Level Metrics. If such amendment affects the Service Charges, the Parties shall agree such change to the Service Charges (if any) in accordance with Schedule L (**Change Control Procedure**). This Schedule shall be updated to reflect the modification of any Service Level Metrics.

### 3.4 Weightings

At any time during the Term, the Authority may make changes to the Weightings for any Service Level Metric (acting reasonably and for good business reasons) where it is able to identify to the Contractor that the existing Weightings do not sufficiently represent or cover the performance of the then current Service or other requirements of the Contract, by sending written notice to the Contractor at least thirty (30) days prior to the date the Authority requires such Weightings to be effective, and the Contractor shall not unreasonably (taking account of the proportionality of the Authority's request with respect to the Weightings to the overall Service Levels) withhold its consent to such changes to the Weightings. This Schedule shall be updated to reflect any change to the Weightings and such changes shall not affect the Service Charges.

## 4 CONTINUOUS IMPROVEMENT

### 4.1 General

The Parties agree to the principle of continuous improvement of service performance and that the Service Levels should be modified during the Term to reflect this. Unless otherwise agreed by the Parties, the Service Levels will be modified each year upon the anniversary of TOR as described in this Clause 4. The modifications as described in this Clause 4 are in addition to any stepped changes in Target Service Levels which are identified in the relevant parts of this Schedule.

### 4.2 Continuous Improvement

4.2.1 Subject to Clauses 4.2.2, 4.2.3, and 4.2.4, below, each established Target Service Level shall be reset upwards by 20% of the difference between the mean actual performance measure of the relevant Service Metric over the preceding twelve (12) months and its corresponding Target Service Level, unless the Contractor can demonstrate that such actual performance is not sustainable due to particular circumstances during the previous or next twelve (12) Months. If the Target Service Level is reset in accordance with this Clause 4.2.1, the levels of performance above or below such Target Service Level shall be reset by the same percentage as the Target Service Level. Service Levels cannot be decreased without the express written consent of the Authority.

4.2.2 In the event that there are any stepped changes to a Target Service Level during the Term (provided such stepped changes are identified in the relevant parts of this Schedule), the Parties will reset the twelve (12) Months measurement period (described in Clause 4.2.1 above) for that Target Service Level so that the first Month of measurement begins from the date the stepped change occurred.

4.2.3 For any Service Levels which are not measured on a sliding scale basis (for example, a Service Level of "no more than two (2) failures in any measurement period") where the mean actual performance in the preceding calendar year was above the Service Level, the Parties will agree a mechanism for continuous improvement which:

- (a) reflects a similar intention; and

- (b) provides for a reasonable Service Level increase,  
in terms similar to the regime detailed in Clauses 4.2.1 to 4.2.2 above.

4.2.4 The Authority shall be entitled, at its sole discretion, to waive the resetting of the Target Service Levels under Clause 4.2.1 and Clause 4.2.3 above.

## 5 ESCALATION OF SERVICE-RELATED FAILURE

### 5.1 Responsibilities

5.1.1 The Contractor shall take all reasonable steps to ensure that all Service Level Metrics remain at or above the Target Service Levels. Each Party shall use the escalation procedure set out in this Clause 5 to try to resolve outstanding issues relating to service performance and to raise awareness of any matters that have, or may have, a material impact on the performance of the Services.

5.1.2 The Service Credit and Service Incentive Payment provisions of this Schedule shall continue to apply throughout the operation of the escalation procedures set out in this Clause 5.

### 5.2 Pro-Active Measures

5.2.1 Prior to any Recovery Plan being put in place in accordance with Clause 5.3 below, the Contractor will take pro-active measures to prevent performance falling below the Target Service Levels specified in Parts 2 and 3 of this Schedule (as applicable). Such failure shall be known as a “**Service Level Failure**”.

5.2.2 Without prejudice to the Authority’s other rights and remedies, if a Service Level Failure occurs where the Service Score for any Service Level Metric is below 95, the Contractor shall:

- (a) report the occurrence to the Authority as soon as it has the information indicating that such Service Level Failure may occur;
- (b) take corrective action and test to assure the Service Level Failure is resolved by that corrective action;
- (c) take appropriate preventive measures so that such Service Level Failure does not recur;
- (d) investigate and report on the causes of such Service Level Failure (including an explanation of how and why the required pro-active measures failed to prevent such Service Level Failure); and
- (e) advise the Authority, as and to the extent requested by Authority, of the status of remedial efforts being undertaken with respect to such Service Level Failure.

### 5.3 Escalation Procedure for Service Level Failures

#### 5.3.1 General

- (a) Without prejudice to the general provisions set out in Clause 5.2 above and/or the Parties entitlement to commence the Dispute Resolution Procedure set out in Schedule P (**Dispute Resolution Procedure**) at any time, the escalation

procedures set out in this Clause 5 are intended to enable the Parties to manage effectively continued, or worsening Service Level Failures.

- (b) The Authority and the Contractor shall review the Monthly Service Reports and Exception Reports provided to the Authority in accordance with Clause 7 below.

5.3.2 The following procedures shall be enacted if the Exception Reports identify any of the following Service Level Failures:

- (a) if the Service Score for a Service Level Metric is below 80 for 1 Month or below 90 for three (3) consecutive Months; or below 95 for six (6) consecutive months or
- (b) if the Overall weighted average Score for the Services is below 90 for 1 Month or below 95 for any three (3) consecutive Months;
- (c) or if the Individual Score for a Bureaux falls below 90 for 1 Month or 95 for three (3) consecutive Months, then:
  - (i) the Contractor shall promptly contact the Authority and the Parties shall review the need for a Recovery Plan. The scope and format of all Recovery Plans shall be agreed by the Parties and documented by the Contractor in the Policies and Procedures Manual. If the Authority decides that a Recovery Plan is required, it shall be submitted to the Authority within five (5) Working Days of such decision. The plan shall specify the proposed activities and recovery period to bring the Service Levels back to the Target Service Levels. Such recovery period shall be limited to the minimum practical period possible in the circumstances. Unless otherwise agreed by the Authority, the maximum recovery period for a Recovery Plan shall be three (3) Months;
  - (ii) the Authority shall, within a reasonable time (having due regard to the Contractor's obligations in this Clause 5.3.2), review the Recovery Plan (including the activities and the time-scales), and decide whether the Contractor shall proceed in accordance with the proposed Recovery Plan or submit a revised Recovery Plan for approval;
  - (iii) the Contractor shall implement the Recovery Plan approved under Clause 5.3.2(c)(i) within the time-scales set out in the Recovery Plan;
  - (iv) the status of implementation of the Recovery Plan shall be reported by the Contractor on a weekly basis (simple written report) and shall be reviewed by the Parties as part of the regular (monthly) Program Status Reviews; if on the expiry of the Recovery Plan, the relevant Service Level Failure under review remains below the levels set out in Clause 5.3.2(a), (b) and/or (c), then:
    - (A) the process set out in this Clause 5.3.2 shall be repeated (potentially, with modifications directed by the Authority), at the Authority's sole discretion; or



- (B) the Authority may escalate resolution of the Service Level Failure in accordance with Schedule P (**Dispute Resolution Procedure**), at the Authority's sole discretion.

5.3.3 Notwithstanding the provisions in Clauses 5.3.1 and 5.3.2 above, if any Service Level falls below the Minimum Allowable Score for three (3) consecutive Months or more and is not corrected via the recovery process in Clause 5.3.2, then it shall be deemed a material Default and the Authority, at its sole discretion, shall be entitled to terminate the Contract in accordance with Clause 43 of Schedule B (**Conditions of Contract**).

## 6 EXCEPTIONS

The Contractor shall not be responsible for a failure to meet any Service Level (and shall not be required to pay any Service Credit to the Authority relating to such failure) to the extent that such failure is attributable to a Force Majeure Event in accordance with Clause 47 of Schedule B (**Conditions of Contract**).

## 7 REPORTS

- 7.1 Unless otherwise specified in this Schedule, each Service Level shall be measured on a monthly basis and the Contractor shall provide a Monthly Service Level Report which includes information on Service Levels, including an Exception Report. Exception Reports must be provided where the Service Score for any Service Level Metric is below 95. The exact format of monthly Service Level Reports and Exception Reports will be agreed by the Parties and documented by the Contractor in the Policies and Procedures Manual.
- 7.2 The scope and format of the Exception Reports shall be agreed by the Parties and documented by the Contractor in the Policies and Procedures Manual. Each Exception Report will include a statement assessing the need for further remedial action to prevent a recurrence of the Service Level Failure. The Exception Reports shall include the identification of trends for individual Service Level Metric and/or any other affected Service Level Metrics and indicate where any action has been taken by the Contractor
- 7.3 Where further remedial action is required to meet the relevant Target Service Levels, the Contractor shall provide a Recovery Plan in accordance with Clause 5 above.

## 8 CALCULATION OF SERVICE PAYMENT ADJUSTMENT

### 8.1 Introduction

- 8.1.1 This section describes adjustment to the Service Charges associated with the IDENT1 SLR.
- 8.1.2 Adjustments are either Service Credits that reduce the Monthly Baseline Charges set out in Schedule E (**Pricing**) or Service Incentive Payments that increase the Monthly Baseline Charges.
- 8.1.3 Service payment adjustment is based on the quality of service delivered to the individual IDENT1 sites. Quality of service is measured by Service Level Metrics measuring the performance of a number of Service Level Criteria.
- 8.1.4 The maximum amount of Service Credit by which the Monthly Baseline Charge can be adjusted is capped at 30% of the Monthly Baseline Charges even if the overall Service Score falls below 70.

- 8.1.5 The maximum amount of Service Incentive Payments by which the Monthly Baseline Charges can be adjusted is capped at 10% of the Monthly Baseline Charges even if the overall Service Score exceeds 110.

## 8.2 Service Score Calculation

- 8.2.1 Calculation of overall Service Score for IDENT1 Services and Livescan Services is described in Part 2 and Part 3 of this schedule respectively. Service Score is expressed as a number between 50 (the Minimum Allowable Score) and 120 (the Maximum Allowable Score).
- 8.2.2 Service Scores greater than 100 represent Service Incentives. Service Credits below 100 represent Service Credits.
- 8.2.3 The Adjusted Monthly Baseline Charges are calculated by multiplying the Monthly Baseline Charges by the Service Score expressed as a percentage, subject to the limits described in Clauses 8.1.4 and 8.1.5 above. That is, a service score of 100 is considered as 100% for this calculation.
- 8.2.4 Service Scores are presented and agreed on a monthly basis with the Authority.

## 8.3 Monthly Baseline Charges - Payment

The mechanisms around payment are detailed in Schedule E (**Pricing**).