

Schedule 7 – Performance Management Framework and Service Levels

1. Introduction

- 1.1. The purpose of this Schedule 7 is to outline the Performance Management Framework for the Head Agreement, and the agreed service standards and performance measures that are to be used in managing the contractual arrangement and relationship between Finance, Agencies and the Service Provider responsible for the provision of the Services.
- 1.2. The Service Levels specify the minimum expected performance and operation of the Services and will be used to measure the performance of the Service Provider, and the satisfaction of Agencies in regard to the delivery of the Services.
- 1.3. The Service Provider acknowledges that copies of this Schedule 7, and any performance management and service level analyses prepared by Finance, may be made available to Agencies who are the recipient of Services provided under the Head Agreement.
- 1.4. Where an Agency specifies performance management requirements and Service Levels in an Order, these are in addition to, and do not replace the Performance Management Framework and Service Levels in this Schedule 7.

2. Performance Management Framework

2.1. Overview

- 2.1.1 The Service Provider acknowledges that:
 - (a) its performance will be measured against the performance measures in clause 2.2, 2.3, and 2.4 of this Schedule 7; and
 - (b) Agencies will provide to Finance reporting on the Service Provider's performance.

2.2. Quality

- 2.2.1 The following Quality performance measures apply to the Head Agreement:
 - (a) the capability and availability of Key Personnel;
 - (b) documentation provided to high standard; and
 - (c) the Services provided met the Agency needs, and requirements of the Order.

2.3. Communication

- 2.3.1. The following Communication performance measures apply to the Head Agreement:
 - (a) proactive and effective communication with the Agency;
 - (b) responsiveness; and

- (c) Agency reference numbers included in all correspondence.

2.4. **Contract Performance**

2.4.1. The following Contract Performance measures apply to the Head Agreement:

- (a) understanding of the Agency's needs;
- (b) effective management of timelines;
- (c) effective budget management;
- (d) service provision managed diligently; and
- (e) reasonable assistance provided in respect of any inquiry concerning the Service Provider's performance of Ordered Services.

3. **Service Levels**

3.1 The Service Levels and Minimum Expected Performance for the Head Agreement are outlined in Table 1 of this Schedule 7.

3.2 The Service Levels apply from the Commencement Date.

3.3. **Responsibilities of the Service Provider**

3.3.1. The Service Provider will use its best endeavours to meet or exceed the Service Levels during the Head Agreement Period.

3.3.2. The Service Provider will make all relevant Key Personnel and Subcontractors aware of the Service Levels.

3.4. **Adjustments to the Service Levels**

3.4.1. The Service Provider and Finance, both acting reasonably, may from time to time agree to adjust, remove or include new Service Levels, if:

- (a) Service Levels require adjustment through the Head Agreement Period;
- (b) additional Service Levels are required; or
- (c) a Service Level is no longer considered appropriate.

This is in addition to any reviews described in the Service Levels.

Any changes to the Service Levels must be made by Deed of Variation in accordance with clause 31.2 of the Head Agreement.

3.5. **Assessing Service Levels**

3.5.1. Finance will assess the Service Provider's compliance with the Service Levels in accordance with this Schedule 7 and may:

- (a) consider the Service Provider's performance against the Performance Management Framework, including performance trends;

- (b) request and consider additional information from Agencies;
- (c) use the results from any Agency satisfaction survey;
- (d) consider any information provided by the Service Provider at a contract management meeting; and
- (e) consider information obtained through an audit conducted under clause 29 of the Head Agreement.

3.6. Process for determining a Service Level Failure

- 3.6.1. A Service Level Failure is recorded for each occasion the Service Provider does not comply with, or maintain the minimum expected performance of a Service Level.
- 3.6.2. Where a Service Level has a minimum expected performance, availability or operation of 100%, if there is a single occasion where the performance of that Service Level is not satisfactory or maintained in accordance with the Service Level then it will constitute a Service Level Failure.
- 3.6.3. Clauses 3.6.1 and 3.6.2 of this Schedule 7 do not apply to the extent that a failure is caused by an event outside the reasonable control of the Service Provider or is significantly contributed to by an act or omission by Finance or an Agency.

3.7. Service Provider's responsibility to correct a Service Level Failure under the Head Agreement

- 3.7.1. In the event of a Service Level Failure, Finance may request via notice that the Service Provider provide Finance with a plan to remedy the failure, including a due date for correcting the failure.
- 3.7.2. If the failure is not possible to rectify, the plan must describe how the Service Provider will ensure the failure does not happen again.
- 3.7.3. The Service Provider must make any changes to the plan required by Finance, and implement the plan once approved by Finance.
- 3.7.4. Finance may communicate the Service Level Failure and any established interim processes or procedures with Agencies.
- 3.7.5. The Service Provider must give notice to Finance when any Service Level Failure has been corrected and where relevant, outline the corrective action taken and steps developed to prevent future failures of a similar nature.
- 3.7.6. Failure to achieve one or more of the Service Levels, or a trend of Service Level Failure may result in Finance enforcing its rights in relation to underperformance including but not limited to:
 - (a) requiring the Service Provider to remedy a Service Level Failure in accordance with clause 3.7 of this Schedule 7; and
 - (b) enforcing its rights in clause 25 of the Head Agreement.

- 3.8. Service Provider’s responsibility to correct a Service Level Failure under an Order**
- 3.8.1. Where an Order includes Agency Service Levels, in the event of a Service Level Failure, the Agency may request that the Service Provider provide the Agency with a plan to remedy the failure, including a due date for correcting the failure.
- 3.8.2. If the failure is not possible to rectify, the plan must describe how the Service Provider will ensure the failure does not happen again.
- 3.8.3. The Service Provider must make any changes to the plan required by the Agency, and implement the plan once approved by the Agency.
- 3.8.4. The Service Provider must give notice to the Agency when any Service Level Failure has been corrected and where relevant, outline the corrective action taken and steps developed to prevent future failures of a similar nature.
- 3.8.5. An Agency may report a Service Level Failure to Finance and request that Finance escalate the issue for mediation between the Service Provider’s Senior Executive and Finance’s Senior Executive.

Table 1 – Service Levels and Minimum Expected Performance

Service Level No	Service Level & Minimum Expected Performance	Performance Measures	Calculation Method
<u>SL1</u>	<u>Reporting - Quality</u> (In accordance with the Reporting Specifications in Schedule 8)	98% accuracy of the reporting data provided to Finance.	Each instance where reporting is not compliant with the reporting specifications in Schedule 8, and Finance requests missing data or seeks corrections on reports submitted by the Service Provider is a service failure.
<u>SL2</u>	<u>Reporting – On Time</u>	98% of reports and data files are provided to Finance within the timing specified in the reporting specifications in Schedule 8.	Each instance where reporting is not provided to Finance within the timing specified in the reporting specifications in Schedule 8 is a service failure.
<u>SL3</u>	<u>Service Delivery</u> (In accordance with the Performance Management Framework of this Schedule 7)	The Service Provider’s provision of the Services as detailed in an Order to the satisfaction of the Agency.	Finance will determine the level of compliance with this Service Level by analysing Agency reports on the Service Provider’s performance against the Performance Management Framework.
<u>SL4</u>	<u>Notification of security incident or breach</u> (In accordance with the requirement of clause 23)	100% compliance with the requirement to immediately notify Finance and any relevant Agency if there is a Security Incident or a breach of any of the Service Provider’s obligations under clause 23, by the Service Provider or any of its Personnel or Subcontractors.	Any instance where Finance and any relevant Agency are not immediately notified of a Security Incident or a breach of any of the Service Provider’s obligations under clause 23 is a service failure.