

# Schedule 7 – Performance Management Framework and Service Levels

## 1. Introduction

- 1.1. The purpose of this **Schedule 7 (Performance Management Framework and Service Levels)** 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, Entities 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 Entities in regard to the delivery of the Services.
- 1.3. The Service Provider acknowledges that copies of this **Schedule 7 (Performance Management Framework and Service Levels)**, and any performance management and service level analyses prepared by Finance, may be made available to Entities who are the recipient of Services provided under the Head Agreement.
- 1.4. Where an Entity 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 (Performance Management Framework and Service Levels)**.

## 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 **clauses 2.2, 2.3 and 2.4 of this Schedule 7 (Performance Management Framework and Service Levels)**; and
  - (b) Entities 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 Personnel;
  - (b) documentation provided to high standard; and
  - (c) the Services provided met the Entity 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 Entity;
- (b) responsiveness; and
- (c) Entity 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 Entity'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:

- (a) the Head Agreement are outlined as SLA 1, SLA 2 and SLA 3 (**Head Agreement Service Levels**); and

- (b) a Contract are outlined as SLA 4 and SLA 5 (**Contract Service Levels**),

in **Table 1** of this **Schedule 7 (Performance Management Framework and Service Levels)**.

## 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 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.

3.4.2. Any changes to the Service Levels must be made in accordance with **clause 32.2** of the Head Agreement.

### 3.5. **Assessing Service Levels**

- 3.5.1. Finance will assess the Service Provider's compliance with the Head Agreement Service Levels in accordance with this **Schedule 7 (Performance Management Framework and Service Levels)** and may:
- (a) consider the Service Provider's performance against the Performance Management Framework, including performance trends;
  - (b) request and consider additional information from Entities;
  - (c) use the results from any Entity satisfaction survey;
  - (d) consider any information provided by the Service Provider at a contract management meeting; and
  - (i) consider information obtained through an audit conducted under **clause 30** 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 (Performance Management Framework and Service Levels)** 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 Entity.

### 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 in relation to the Head Agreement Service Levels, 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 in relation to the Head Agreement Service Levels and any established interim processes or procedures with Entities.
- 3.7.5. The Service Provider must give notice to Finance when any Service Level Failure in relation to the Head Agreement Service Levels 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 Head Agreement 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:

- (i) requiring the Service Provider to remedy a Service Level Failure in accordance with **clause 3.7** of this **Schedule 7 (Performance Management Framework and Service Levels)**; and
- (ii) enforcing its rights in **clause 26** of the Head Agreement (or other rights under the Head Agreement).

### 3.8. **Service Provider's responsibility to correct a Service Level Failure under an Order**

3.8.1. Unless specified otherwise in a Contract, the Contract Service Levels will apply in respect of each Contract. In addition, an Entity may include additional service levels in a Contract, which will also constitute Contract Service Levels.

3.8.2. In the event of a Service Level Failure with respect to Contract Service Levels, the Entity may request that the Service Provider provide the Entity with a plan to remedy the failure, including a due date for correcting the failure.

3.8.3. If the failure is not possible to rectify, the plan must describe how the Service Provider will ensure the failure does not happen again.

3.8.4. The Service Provider must make any changes to the plan required by the Entity, and implement the plan once approved by the Entity.

3.8.5. The Service Provider must give notice to the Entity when any Service Level Failure for Contract Service Levels has been corrected and where relevant, outline the corrective action taken and steps developed to prevent future failures of a similar nature.

3.8.6. An Entity may report a Service Level Failure for Contract Service Levels to Finance and request that Finance escalate the issue for mediation between the Service Provider's Senior Executive and First Finance Senior Executive.

**Table 1 – Service Levels**

Service Level No	Service Level	Performance Measures	Calculation Method
<b>Head Agreement Service Levels</b>			
<u>SL1</u>	<u>Reporting - Quality</u> (In accordance with the reporting specifications in <b>Schedule 4 (Reporting)</b> )	<ul style="list-style-type: none"> <li>98% accuracy of the reporting data provided to Finance.</li> </ul>	Each instance where reporting is not compliant with the reporting specifications in <b>Schedule 4 (Reporting)</b> , 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 <b>Schedule 4 (Reporting)</b> .	Each instance where reporting is not provided to Finance within the timing specified in the reporting specifications in <b>Schedule 4 (Reporting)</b> is a service failure.

Service Level No	Service Level	Performance Measures	Calculation Method
<u>SL3</u>	<u>Service Delivery</u> (In accordance with the Performance Management Framework of this <b>Schedule 7 (Performance Management Framework and Service Levels)</b> )	The Service Provider's provision of the Services as detailed in an Order to the satisfaction of the Entity.	Finance will determine the level of compliance with this Service Level by analysing Entity reports on the Service Provider's performance against the Performance Management Framework.
<b>Contract Service Levels</b>			
<u>SL4</u>	<u>Responsiveness to requests</u>	<ul style="list-style-type: none"> <li>98% of Requests for Quote, Orders, inquiries, and requests for Services are responded to and actioned within agreed timeframes via the correct communication method</li> </ul>	An Entity will determine the level of compliance with this Service Level by analysing the Service Provider's responsiveness to requests against contractual timeframes for response in the Head Agreement and any Contract.
<u>SL5</u>	<u>Governance</u>	<ul style="list-style-type: none"> <li>100% attendance at contract management / governance meetings, and proactive participation in contract management activities</li> </ul>	An Entity will determine the level of compliance with this Service Level by analysing the Service Provider's attendance at, and participating in, required governance meetings.