

SCHEDULE 17

INDUSTRY STANDARD PARTNERING AGREEMENT

[] 2014

[CONTRACTOR]

and

[SUBCONTRACTOR]

[Explanatory Notes: (1) This version of the Industry Standard Partnering Agreement has been prepared for the Rehabilitation Programme. (2) Bidders should note that a general version of this Industry Standard Partnering Agreement has been issued for market consultation and the Ministry of Justice may wish amend this version to reflect the results of that consultation.]

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THIS AGREEMENT is made on []

BETWEEN:

- (1) [●] (registered in England under number [●]), whose registered office is at [●] (**Contractor**); and
 - (2) [●] (registered in England under number [●]), whose registered office is at [●] (**Subcontractor**),
- each a **party** and together the **parties**.

BACKGROUND:

- (A) On [●] 2014, the Secretary of State for Justice appointed the Contractor pursuant to section 3 of the Offender Management Act 2007 as a provider of rehabilitation services on the terms set out in a Services Agreement dated [●] 2014 (as amended) (**Services Agreement**).
- (B) The Contractor wishes to subcontract the provision of certain services in the Services Agreement to the Subcontractor on the terms set out in this Agreement.
- (C) The parties have entered into this Agreement in accordance with the Market Stewardship Principles having had regard to the Explanatory Guide.
- (D) The parties have completed the ISPA Questionnaire in relation to this Agreement and a copy of that completed Questionnaire is contained in Schedule 2 to this Agreement.

IT IS AGREED as follows:

1. SERVICES AND SERVICE COMMENCEMENT

1.1 Principal Obligations

- (a) The Subcontractor shall provide the Services to the Contractor with effect from the date of this Agreement.
- (b) The Subcontractor, when performing the Services, shall be deemed to be a provider of probation services within the meaning of Section 3(6) of the OMA for the purposes of all Legislation, Directions and any applicable judgment of a relevant court of law.
- (c) The Subcontractor shall at all times ensure that the Services comply with, and meet all the requirements of, and perform all its other obligations arising under or in connection with, this Agreement, in accordance with each of this Agreement, Good Industry Practice, Directions and all applicable Mandatory Probation Instructions, Mandatory Prison Service Instructions, and all Applicable Law with effect from the Effective Date.
- (d) The Subcontractor shall provide the Services, where appropriate, in a manner designed to promote confidence in the criminal justice system having regard to the following aims:
 - (i) the protection of the public;
 - (ii) the reduction of re-offending;
 - (iii) the proper punishment of offenders;

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- (iv) ensuring offenders' awareness of the effect of crimes on the victims of crimes and the public; and
 - (v) the rehabilitation of offenders.
 - (vi) ***[Explanatory Note: any other overarching purposes of the agreement to be inserted here.]***
- (e) The Contractor shall supply or make available to the Subcontractor:
- (i) all information, data or access to systems that is reasonably requested by the Subcontractor which the Contractor agrees to provide, in respect of the Services; and
 - (ii) all information that the Subcontractor reasonably requires to assess the risk allocation to the Subcontractor in respect of the Services.
- (f) The Contractor agrees that the Subcontractor shall be entitled to request information from the Authority, as reasonably required by the Subcontractor, if the Contractor is unwilling or unable to provide the necessary information in accordance with Clause 1.1(e) above.
- (g) The Contractor shall provide to the Subcontractor the support set out in Schedule 11 (Contractor Support) to assist the Subcontractor in providing the Services. The Contractor shall provide that support for the Contract Period. ***[Explanatory Note: This schedule will need to be completed to reflect the support offered by the Contractor and agreed with the Authority during the tendering process or contract negotiations, as applicable.]***
- (h) The Contractor shall ensure that:
- (i) ***[Explanatory Note: For Material Subcontracts, conditions to the Authority's consent to that Material Subcontract are to be specified here. See Explanatory Guide paragraph 4.]***
 - (i) The Subcontractor agrees that it has not been given any rights of exclusivity or any volume guarantees in relation to the Services under this Agreement.

1.2 Service Levels

- (a) Without limiting Clause 1.1, with effect from the Effective Date, the Subcontractor shall meet or exceed the Service Levels in its provision of the relevant Services.
- (b) If, at any time after the Effective Date, the Subcontractor fails to provide any of the Services in accordance with the Service Levels, without limiting the Contractor's other rights and remedies, the Subcontractor shall:
- (i) advise the Contractor as soon as reasonably practicable of the failure and of the steps that the Subcontractor shall take to address the failure; and
 - (ii) at no additional cost to the Contractor:
 - (A) if applicable, perform or re-perform those elements of the Services in relation to which there was a failure to perform as are necessary to be performed or re-performed (as the case may be) to ensure that the relevant Services are compliant with the relevant Service Levels;

- (B) to the extent practicable, rectify all direct operational consequences resulting from that failure to perform the Services in accordance with the relevant Service Levels; and
- (C) as soon as practicable, arrange all additional resources as are reasonably necessary to perform its obligations set out in this Agreement and to ensure that the failure does not recur.

1.3 Service Credits

- (a) If the Subcontractor fails to provide the Services in accordance with the Service Levels, without limiting the Contractor's other rights and remedies, the Charges payable in relation to the Services shall be the Charges less an amount equal to the corresponding Service Credit (if any) as determined in accordance with Schedule 5.
- (b) The amount of any Service Credits payable by the Subcontractor under Clause 1.3(a) shall be calculated in accordance with Schedule 5. Service Credits will be included in the invoices (and, where applicable, recoverable) in accordance with Schedule 5.
- (c) The parties agree that Service Credits are a genuine pre-estimate of the minimum level of loss or damage that the Contractor is likely to suffer as a result of a failure by the Subcontractor to provide the Services in accordance with Clause 1.1(a). Any deduction made in accordance with Clause 1.3(a) shall not limit the Contractor's other rights and remedies for the Subcontractor's failure to provide the Services in accordance with the Service Levels.

1.4 Changes to Service Levels

- (a) The Contractor shall be entitled and on giving not less than three months' prior written notice to the Subcontractor to require any or all of:
 - (i) a change to the Service Credits applicable to each Service Level;
 - (ii) a change to the Service Levels applicable to each Service; and
 - (iii) the introduction of new Service Levels or Service Credits,

provided that the principal purpose of a change to the Service Levels or Service Credits is to reflect changes made to the service levels or service credits in the Services Agreement.

- (b) If the Subcontractor incurs additional costs as a result of a change under this Clause 1.4, subject to Clause 24.10(b), it shall be entitled to recover those costs from the Contractor in accordance with Clause 1.4(c) provided that it demonstrates to the reasonable satisfaction of the Contractor that the change to the Service Levels was the direct cause of the cost incurred.
- (c) Subject to Clause 1.4(b), the Contractor shall compensate the Subcontractor for the actual costs reasonably incurred by the Subcontractor in excess of £[●] (so that only the excess of that amount is recoverable) and within 20 Business Days after receipt of a written demand by the Subcontractor supported by reasonably detailed evidence in writing that the costs have in fact been incurred. ***[Explanatory Note: This compensation amount to be linked with the amount that the Contractor is entitled to be compensated for under the equivalent Clause in the Services Agreement.]***

2. CONTRACT MANAGEMENT

2.1 Annual Service Plan

- (a) The Subcontractor shall, for each Contract Year, prepare a plan which sets out its proposals for that Contract Year for the delivery of the Services in that Contract Year (**Annual Service Plan**).
- (b) The Subcontractor shall send a copy of the Annual Service Plan to the Contractor for its review 40 Business Days prior to the start of the Contract Year to which the Annual Service Plan relates. If the Contractor objects to any part of the Annual Service Plan, the matter shall be resolved in accordance with Clause 21.

2.2 Service Report

- (a) The Subcontractor shall, for each Contract Year, prepare a report of the Subcontractor's performance in relation to the Services (**Service Report**).
- (b) In the Service Report, the Subcontractor shall, in each case reflecting the strategic nature of the Services to the Contractor:
 - (i) illustrate how it has contributed to the requirements set out in Clause 1.1;
 - (ii) report on the Subcontractor's performance of its obligations under this Agreement and the extent to which it has met the Annual Service Plan for that Contract Year; and
 - (iii) report on its overall performance in meeting the Services Levels and the amount of any Service Credits that have been payable.

2.3 Continuous Improvement Report

- (a) The Subcontractor shall adopt a continuous improvement approach to the provision of the Services, and shall work with the Contractor to identify opportunities for improving the performance, efficiency and effectiveness of the Services.
- (b) The Subcontractor shall, for each Contract Year, produce a report (**Continuous Improvement Report**) which shall identify all activities undertaken by the Subcontractor to improve the effectiveness of the Services, any further opportunities for improvement of this Agreement through prospective changes in the Services and/or behaviour or usage changes by either party.

2.4 Contract Reviews

- (a) Within 40 Business Days after the end of a Contract Year, the Contractor and the Subcontractor shall meet to review the Subcontractor's performance of this Agreement in that Contract Year (the **Contract Review**). The parties agree that the Contract Review will focus on the strategic nature of the Services to the Contractor and the Authority and the importance to the Contractor and the Authority of assessing the performance of its strategic suppliers on a regular basis so that:
 - (i) performance issues can be monitored and addressed as they arise; and
 - (ii) the outcomes and feedback from the Contract Review can be incorporated as applicable or as reasonably requested by the Subcontractor into the Contractor's annual review under the Services Agreement.

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- (b) The Subcontractor shall, for the purposes of Clause 2.4(a), send to the Contractor not less than 40 Business Days prior to the start of the Contract Year a copy of each of:
 - (i) the Annual Service Plan for that Contract Year;
 - (ii) the Service Report for the previous Contract Year completed to the end of the ninth month of that previous Contract Year;
 - (iii) the Continuous Improvement Report for that Contract Year; and
 - (iv) any other written reports that the Contractor or the Authority may reasonably request.
- (c) The Contractor shall, insofar as reasonably practicable, present the Subcontractor's Annual Service Plan, Service Report and Continuous Improvement Report as part of the Contractor's Service Report under the Services Agreement.

2.5 Remedial Plan Process

- (a) If at any time the Authority has serious concerns about:
 - (i) the Contractor's continuing ability to meet its obligations under the Services Agreement; or
 - (ii) public protection or the Contractor's continuing ability to manage the risk of Serious Harm posed by offenders;
 - (iii) national security; or
 - (iv) information security,

and those concerns relate to the Services (**Serious Concerns**), the Contractor shall be entitled to initiate the process set out in Clause 2.5(b) (**Remedial Plan Process**).

- (b) The Remedial Plan Process shall be as follows:
 - (i) The Contractor shall notify the Subcontractor that the Authority has Serious Concerns relating to the Services and that the Contractor requires the Subcontractor to provide a plan to specify how the Serious Concerns will be addressed (**Remedial Plan**). The notice shall specify the Serious Concerns in outline but must contain sufficient detail so that it is reasonably clear to the Subcontractor the matters it has to remedy.
 - (ii) The Subcontractor shall provide a draft Remedial Plan to the Contractor within 20 Business Days (or any other period agreed by the parties in writing) after the date of the notice referred to in Clause 2.5(b)(i) even if the Subcontractor disagrees with the Serious Concerns or disputes that it is responsible for the matters which are the subject of the Serious Concerns.
 - (iii) If:
 - (A) the Subcontractor does not provide a Remedial Plan;
 - (B) the Authority or the Contractor considers that the draft Remedial Plan is insufficiently detailed to be properly evaluated, will take too long to complete or will not adequately address the Serious Concerns, or

(C) the parties and the Authority cannot agree the Remedial Plan,

the Contractor may either agree a further time period for the development and agreement of the Remedial Plan or the Contractor may escalate any issues with the draft Remedial Plan using the Escalation Process.

2.6 Services Agreement Meetings

The Contractor shall notify the Subcontractor prior to each review meeting that it has with the Authority which relates to the Services (a **Services Agreement Meeting**) as soon as practicable after it has given or received notice of that Services Agreement Meeting. The Subcontractor shall be entitled to make representations to the Contractor that it should attend that Services Agreement Meeting specifying the purpose for that attendance. The Contractor shall consider those representations in good faith and, if the Contractor (acting reasonably) considers that it is appropriate for the Subcontractor to attend that Services Agreement Meeting, use reasonable endeavours to obtain permission from the Authority for the Subcontractor to attend.

3. EQUALITY AND HUMAN RIGHTS REQUIREMENTS

- (a) The Subcontractor (including its agents and employees) shall not:
- (i) discriminate directly or indirectly, or by way of victimisation or harassment, against any person on Prohibited Employment Grounds; or
 - (ii) contravene Sections 29(6), 39, 108, 109, 111, 112 and 149 of the Equality Act 2010; or
 - (iii) unlawfully discriminate within the meaning and scope of any Legislation relating to discrimination in employment.
- (b) The Subcontractor (including its agents and employees) shall, for the purposes of ensuring compliance with Clause 3(a)(i), (ii) and (iii) above in relation to personnel engaged in the provision of the Services observe as far as possible the provisions of:
- (i) the Equality and Human Rights Commission Code of Practice on Employment; and
 - (ii) any other relevant code of practice introduced by a commission or other body set up by the UK Parliament to promote, monitor and enforce Equalities Legislation,
- including those provisions recommending the adoption, implementation and monitoring of an equal opportunities policy.
- (c) The Subcontractor shall, in performing its obligations under this Agreement, comply (to the extent permitted by law) with the provisions of Sections 149 and 150 of the Equality Act 2010 on the basis that it is a person who exercises public functions within the meaning of Section 149(2) of the Equality Act 2010.
- (d) The Subcontractor shall notify the Contractor's Relationship Manager in writing as soon as it becomes aware of any investigation of or proceedings brought against the Subcontractor under the Equalities Legislation.
- (e) Where any investigation is undertaken by a person or body empowered to conduct such investigation and/or proceedings are instituted in connection with any matter relating to the Subcontractor's performance of its obligations under this Agreement being in contravention of the Equalities Legislation, the Subcontractor shall, free of charge:

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- (i) provide any information requested in the timescale allotted by the investigation or proceedings;
 - (ii) attend any meetings as required and permit any of its staff to attend;
 - (iii) promptly allow access to and investigation of any documents or data deemed to be relevant;
 - (iv) allow itself and any of its staff to appear as witness in any ensuing proceedings; and
 - (v) co-operate fully and promptly in every way required by the person or body conducting the investigation or proceedings during the course of that investigation or proceedings.
- (f) The Subcontractor shall, and shall procure that each subcontractor shall, in performing its obligations under this Agreement, act in a manner which is compatible with the European Convention on Human Rights on the basis that, for the purposes of this Agreement, it is a person who is exercising functions of a public nature under section 6(3)(b) of the Human Rights Act 1998.

4. CHANGE IN SERVICES

The parties shall follow the Change Protocol set out in Schedule 7.

5. INFORMATION ASSURANCE

The Subcontractor shall comply with its obligations set out in Schedule 12 (Information Assurance).

6. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

6.1 Warranty

Each party represents and warrants to the other party that:

- (i) it has the power to execute and deliver this Agreement and to perform its obligations under it and has taken all action necessary to authorise execution and delivery and the performance of its obligations;
- (ii) this Agreement constitutes legal, valid and binding obligations of that party in accordance with its terms; and
- (iii) authorisations, licences or consents from, and notices or filings with, each regulator or other governmental or other authority that are necessary to enable it to execute, deliver and perform its obligations under this Agreement have been obtained or made (as the case may be) and are in full force and effect and all conditions of each authorisation, licence, consent, notice or filing have been complied with.

6.2 Exercise of rights

In exercising its rights under this Agreement, the Contractor shall act reasonably and proportionally.

6.3 ISPA Questionnaire

The Contractor warrants that the completed ISPA Questionnaire in the Annex to Schedule 2 is true and accurate in all material respects.

6.4 Risk Assessment

The parties acknowledge and agree that:

- (i) they have entered into this Agreement having fully considered and assessed the allocation of risk to the Subcontractor and the ability of the Subcontractor to control that risk;
- (ii) the Subcontractor has not been allocated a disproportionate amount of risk relative to the nature of the Services and the Charges.

6.5 Subcontractor Undertakings

The Subcontractor undertakes to the Contractor that, for the Contract Period, it will:

- (i) not reorganise or change the nature or scope of its activities in a way that may, in the reasonable opinion of the Contractor, have a detrimental effect on the provision of the Services in accordance with this Agreement;
- (ii) not, without the prior written consent of the Contractor, (and whether by a single transaction or by a series of transactions whether related or not) sell, transfer, lend or otherwise dispose of (other than by way of security) the whole or any material part of its business, employees or Assets which would materially affect the ability of the Subcontractor to perform its obligations under this Agreement;
- (iii) not undertake the performance of its obligations under this Agreement for the provision of the Services otherwise than through itself or a subcontractor;
- (iv) not be, and is not, subject to any contractual obligations, compliance with which is likely to have a material adverse effect on the Subcontractor's ability to perform its obligations under this Agreement;
- (v) not propose or permit the voluntary winding up or dissolution of itself or any subsidiary of it (from time to time);
- (vi) not apply for the appointment of an administrator over its Assets;
- (vii) not, without the prior written consent of the Contractor, appoint any person as chairman;
- (viii) provide the Services, charge for the Services, carry out its business and conduct its affairs according to the highest standards of corporate governance applicable from time to time to companies registered in the United Kingdom and in a responsible manner and shall observe principles of good social responsibility.

[Explanatory Note: Subcontractor Undertakings to be prescribed for Material Subcontracts only.]

6.6 Reputational Damage

- (a) The Subcontractor shall provide the Services and perform all its other obligations arising under or in connection with this Agreement having regard to the standing and reputation of the Authority and, in particular, shall not do anything (by act or omission) that would, or would be reasonably likely to:
 - (i) damage the reputation of the Authority;
 - (ii) bring the Authority into disrepute;

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- (iii) attract adverse publicity to the Authority; or
 - (iv) harm the confidence of the public in the Authority.
- (b) The Subcontractor shall, when providing the Services, pay due regard to the need for persons in a public service environment to observe the highest standards of efficiency, economy, courtesy, consideration and hygiene.

6.7 Tax

- (a) The Subcontractor shall comply, and shall ensure that each of its Affiliates complies, with all of its obligations as to declaration and payment of Tax and shall provide all information to the Contractor following a written request which demonstrates to the Contractor how it, or the relevant Affiliate, has complied with those obligations.
- (b) The Subcontractor represents, warrants and undertakes that:
- (i) neither it, nor any of its Affiliates, has been a party to, nor has been otherwise involved in, nor will be involved in, any transaction, scheme or arrangement designed wholly or mainly, or containing steps having no commercial purposes and designed wholly or mainly, for the purpose of avoiding, deferring or reducing a liability to Tax;
 - (ii) none of its tax affairs nor those of its Affiliates has given rise to a criminal conviction for tax related offences which is unspent, or to a penalty for civil fraud or evasion; and/or
 - (iii) none of its tax returns nor those of its Affiliates submitted on or after 1 October 2012 has been found to be incorrect as a result of:
 - (A) HMRC successfully challenging it under the General Anti-Abuse Rule (GAAR) or the "Halifax" principle; or
 - (B) the failure of an avoidance scheme which the Subcontractor or any of its Affiliates was involved in and which was, or should have been, notified to HM Revenue and Customs under any statutory provision relating to the disclosure of tax avoidance schemes.

7. LIABILITY

7.1 Limitations of liability

- (a) Nothing in this Agreement excludes or limits any party's liability:
- (i) for fraud, theft or any similar dishonesty offence;
 - (ii) for wilful misconduct or wilful abandonment;
 - (iii) for death or personal injury caused by its negligence or that of its employees;
 - (iv) arising as a result of a breach of Clause 18;
 - (v) for breach of obligations of confidentiality; or
 - (vi) to the extent that any Legislation precludes or prohibits any exclusion or limitation of liability.

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For the avoidance of doubt, any amounts payable by either party to the other party in respect of any of the above shall not count towards the financial cap[s] on liability set out in Clause 7.1(b).

- (b) Subject to Clause 7.1(a), the aggregate liability of either party to the other party under or in connection with this Agreement, whether arising in tort (including negligence), for breach of contract or otherwise shall be the greater of:
 - (i) £[●]; or
 - (ii) the total amounts paid or payable by the Contractor to the Subcontractor under this Agreement.

7.2 Indirect and consequential loss

Subject to Clause 7.1 neither party shall be liable to the other party for any indirect or consequential or special loss or damage, whether arising in tort (including negligence), breach of contract or otherwise, whether or not that loss was foreseeable.

7.3 Miscellaneous

- (a) Nothing in this Clause 7 shall operate to exclude or limit either party's obligations to make payments in accordance with this Agreement, including the Contractor's obligation to pay the Charges or the Subcontractor's obligation to make any refund of Charges.
- (b) Nothing in this Clause 7 shall in any way reduce or affect each party's general duty at law (if any) to mitigate loss suffered by it.

8. FORCE MAJEURE AND OTHER RELIEF EVENTS

8.1 Relief Events

- (a) Subject to Clauses 8.1(c) and (d) the Subcontractor shall not be in breach of this Agreement to the extent the breach is a direct result of a Relief Event.
- (b) In this Agreement, **Relief Event** means a failure of the Contractor to carry out a Dependency in accordance with this Agreement.
- (c) The Subcontractor shall not be entitled to claim that a breach is a direct result of a Relief Event pursuant to Clause 8.1(a) unless it:
 - (i) as soon as practicable, and in any event within 15 Business Days after it becomes aware that the Relief Event has caused or is likely to cause delay, breach of an obligation under this Agreement and/or the Subcontractor to incur costs, gives to the Contractor a notice in writing of its claim for an extension of time or relief from its obligations under this Agreement;
 - (ii) within 10 Business Days after receipt by the Contractor of the notice referred to in Clause 8.1 (c)(i) gives full details of the Relief Event and relief claimed; and
 - (iii) demonstrates to the reasonable satisfaction of the Contractor that:
 - (A) the Relief Event was the direct cause of the cost incurred and/or the Contractor's failure to comply with its obligations under this Agreement; and

- (B) the cost incurred and/or relief from the obligations under this Agreement claimed, could not reasonably be expected to be mitigated or recovered by the Subcontractor acting in accordance with Good Industry Practice.
- (d) Following service of a notice by the Subcontractor pursuant to Clause 8.1(c), the Subcontractor shall promptly supply to the Contractor all further information relating to the claim which:
 - (i) is received by the Subcontractor; or
 - (ii) is reasonably requested by the Contractor.
- (e) If the Subcontractor has complied with its obligations under Clauses 8.1(c) and (d):
 - (i) in the case of an additional cost being directly incurred by the Subcontractor, the Contractor shall compensate the Subcontractor for the actual costs reasonably incurred by the Subcontractor as a result of the Relief Event in excess of £[●] (so that only the excess of that amount is recoverable) within 20 Business Days after receipt of a written demand by the Subcontractor supported by reasonably detailed evidence in writing that the costs have in fact been incurred; and
 - (ii) the Contractor shall give the Subcontractor relief from its obligations under this Agreement which is reasonable for the relevant Relief Event.
- (f) If information is provided after the dates referred to in Clause 8.1(c) above, the Contractor shall not be entitled to any extension of time, compensation or relief from its obligations under this Agreement in respect of the period for which the information is delayed.
- (g) If the parties cannot agree the extent of any delay incurred, relief from the Subcontractor's obligations under this Agreement, or the Contractor disagrees that a Relief Event has occurred (or as to its consequences), or that the Subcontractor is entitled to any relief under this Clause 8.1, the parties shall resolve the matter in accordance with Clause 21.
- (h) The provisions of Clauses 8.1(e) are the Subcontractor's exclusive remedy in respect of any Relief Event (including in relation to any Losses suffered or incurred by the Subcontractor as a result of or in connection with a Relief Event).

8.2 Force Majeure Events

- (a) Subject to Clauses 7.1 and 8.2(c), neither party shall be liable to the other party for any delay or non-performance of its obligations under this Agreement arising directly from any of the following cause or causes beyond its reasonable control and unable reasonably to be planned for or avoided: act of God, act of terrorism, war, civil war, armed conflict, fire, earthquake, flood, embargo, riot or sabotage which directly causes either party (the **Affected Party**) to be unable to comply with all or a material part of its obligations under this Agreement (a **Force Majeure Event**), provided that the Affected Party:
 - (i) promptly notifies the other party in writing of the cause of the delay or non-performance, the likely duration of the delay or non-performance, evidence of its effect on its obligations and details of the action it proposes to take to mitigate the effect of the delay or non-performance; and
 - (ii) takes all steps in accordance with Good Industry Practice to overcome or minimise the effect of the delay or non-performance on the other party.

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- (b) The performance of the Affected Party's obligations, to the extent affected by the Force Majeure Event, shall be suspended during the period that the Force Majeure Event persists.
- (c) The occurrence of any Force Majeure Event shall not relieve the Subcontractor of its obligations under the Business Continuity Plan.
- (d) If a Force Majeure Event occurs and the Subcontractor has not restored full and uninterrupted Services within 24 hours, the Contractor shall not be required to pay, and the Subcontractor shall not be entitled to charge, for the fees specified in paragraph [●] of Schedule 6 (Charges) for the duration of the period commencing on the date the Force Majeure Event occurred and ending on the date full and uninterrupted Services are resumed.
- (e) The Contractor may instruct an alternative supplier to provide the services affected by the Force Majeure Event to ensure continuity of service and the Subcontractor shall co-operate with the alternative supplier to ensure the smooth and seamless provision of those services to the Contractor.
- (f) The Affected Party shall notify the other party in writing as soon as practicable after the Force Majeure Event ceases or no longer causes the Affected Party to be unable to comply with its obligations under this Agreement. Following that notification, this Agreement shall continue to be performed on the terms existing immediately prior to the occurrence of the Force Majeure Event.

8.3 Business Continuity

- (a) Each party shall comply with its obligations set out in Schedule 8.
- (b) The Subcontractor shall maintain the Business Continuity Plan in accordance with Good Industry Practice and, where applicable, ISO 22301, and perform trial implementations of it on a regular basis (not less than once in each Contract Year) and shall provide full details of the results of those trial implementations to the Contractor as part of the Service Report for that Contract Year. The Subcontractor and the Contractor shall take any precautionary actions which are specified in the Business Continuity Plan. Any proposed changes to the Business Continuity Plan shall be subject to the Change Protocol, provided that any amendments to the Business Continuity Plan may only be made if the revised Business Continuity Plan shall provide at least the same level of business continuity as the then current Business Continuity Plan or are a necessary consequence of another agreed Change.
- (c) Without prejudice to Clause 8.3(b), the Subcontractor shall review, test and update the Business Continuity Plan:
 - (i) following a material change in the Subcontractor's business operations;
 - (ii) following a material change to the provision of the Services; andwhere reasonably requested to do so by the Contractor.
- (d) Each party shall notify the other party as soon as reasonably practicable if it believes that there has been, or is likely to be, a material disruption to business continuity that requires the implementation of the Business Continuity Plan. The parties shall then immediately implement the Business Continuity Plan and the parties shall perform their obligations set out in the Business Continuity Plan.

9. SUBCONTRACTOR PERSONNEL

9.1 Management of Subcontractor Personnel

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- (a) The Subcontractor shall be responsible for the management of all Subcontractor Personnel.
- (b) The Subcontractor shall employ or utilise at all times a sufficient number of Subcontractor Personnel to act as officers of providers of probation services (within the meaning of Section 9(1) of the OMA) to fulfil its obligations under this Agreement and shall ensure that all Subcontractor Personnel:
 - (i) are competent and efficient;
 - (ii) have the right to live and work in the United Kingdom;
 - (iii) have appropriate and relevant qualifications, training and experience pursuant to the "Core Skills in Probation Practice" and the guidelines published from time to time under Section 10 of the OMA;
 - (iv) are properly trained and fully conversant with the technologies used by the Subcontractor in its provision of the Services [including nDelius, OASys and Prison NOMIS]; and
 - (v) are made fully aware of, and attend scheduled training with respect to, procedures that are relevant to their respective roles and that are notified to the Subcontractor from time to time by the Contractor.
 - (vi) *[Explanatory Note: Any further qualifications required of Subcontractor Personnel providing the Services to be included here.]*

9.2 Vetting

- (a) The Subcontractor shall, at all times during the Contract Period:
 - (i) comply with the Mandatory Prison Service Instruction and the Mandatory Probation Instruction relating to vetting in accordance with Clause 1.1(c);
 - (ii) comply with the Security Vetting Requirements; and
 - (iii) maintain its security vetting status as required by the Security Vetting Requirements.
- (b) Subject to Clause 9.2(a), the Subcontractor shall, at the Contractor's cost and expense, ensure that a risk-based assessment is made of the suitability of each Subcontractor Personnel for the duties he or it will be carrying out.

9.3 Security and conduct on Authority Premises and Contractor Premises

- (a) Whilst on any Authority Premises or Contractor Premises, the Subcontractor shall ensure that all Subcontractor Personnel shall comply with all security measures implemented by the Authority or the Contractor, as applicable, in respect of persons attending that Authority Premises or Contractor Premises to the extent those security measures have been notified to or ought reasonably to have been known by the Subcontractor and/or the Subcontractor Personnel. The Contractor shall provide copies of its written security procedures and the Authority's written security procedures where they exist in general, or for specific Authority Premises or Contractor Premises, to the Subcontractor on written request.
- (b) The Subcontractor agrees that any Subcontractor Personnel who cannot produce a pass issued by the Contractor or the Authority when required to do so by any appropriate personnel or agent of the Contractor or the Authority, or who contravene any conditions on the basis of which a pass is issued,

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may be refused admission to the Authority Premises or Contractor Premises, or be required to leave the Authority Premises or Contractor Premises.

- (c) The Subcontractor shall return any pass within four Business Days after the Contractor or Authority requires it to be returned or if the person for whom the pass was issued ceases to be involved in the performance of the Services. The Subcontractor shall return all passes on or before the date of termination of this Agreement.
- (d) Whilst on the Authority's Premises or Contractor Premises, all Subcontractor Personnel shall comply with all rules, regulations and other requirements as may be in force in respect of the conduct of persons attending and working at the Authority's Premises or Contractor Premises, to the extent that those rules, regulations and other requirements have been notified to or ought reasonably to have been known by the Subcontractor and/or the Subcontractor Personnel.

10. GOVERNANCE

The parties shall comply with their respective obligations under Schedule 9.

11. INSURANCE

The Subcontractor shall during the Contract Period take out and maintain or procure the maintenance of insurances as would be maintained by a reasonably prudent supplier of services similar to the Services in accordance with Good Industry Practice or as may be required by law.

12. STEP-IN RIGHTS

12.1 Step-In – General

- (a) If the Authority has exercised its rights to take action in connection with the services under the Services Agreement which include the Services, the Contractor shall notify the Subcontractor in writing of the following:
 - (i) the action the Authority wishes to take with respect to the Subcontractor;
 - (ii) the reason for the action;
 - (iii) the date it wishes to start the action;
 - (iv) the expected time period which it believes will be necessary for the action (which, for the avoidance of doubt, can be an indefinite period); and
 - (v) to the extent practicable, the effect on the Subcontractor and its obligation to provide the Services during the period the action is being taken.
- (b) For the purposes of Clause 12.1(a), the Subcontractor agrees that the action which the Authority wishes to take may include access to any or all items and personnel specified in Schedule 10 (Audit).
- (c) Following service of the notice pursuant to Clause 12.1(a), the Authority shall be entitled to take the action as notified under Clause 12.1(a) and any consequential additional action as it reasonably believes is necessary (together, **Required Action**) and the Subcontractor shall give all reasonable assistance to the Authority before it takes and while it is taking, the Required Action including providing the Authority with all necessary training to use the Subcontractor System for the purposes of taking the Required Action and facilitating access for the Authority to the Allocated Persons if requested by the Authority. The Contractor shall provide the Subcontractor with notice of

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completion of the Required Action and shall use reasonable endeavours to provide advance notice, as is reasonably practicable, of its anticipated completion.

- (d) Where the Required Action has been taken otherwise than as a result of a breach by the Subcontractor of its obligations under this Agreement, the Authority shall undertake the Required Action in accordance with Good Industry Practice. For the avoidance of doubt, if the Authority exercises its right to take the Required Action in accordance with this Clause 12, the employees of the Subcontractor will not transfer to the Contractor or the Authority (by operation of the Employment Regulations or a scheme pursuant to any Legislation or otherwise) and shall remain employed by the Subcontractor at all times while the Authority is taking the Required Action and afterwards.
- (e) The Subcontractor shall give all reasonable assistance to the Authority and the Contractor while the Authority is taking the Required Action.

12.2 Step-In Without Subcontractor Breach

- (a) If the Subcontractor is not in breach of its obligations under this Agreement, then for so long as and to the extent that the Required Action is taken, and the Subcontractor is prevented from providing any part of the Services:
 - (i) the Subcontractor shall be relieved from its obligations to provide that part of the Services; and
 - (ii) subject to Clause 12.2(b), the Contractor shall continue to pay the Charges for the Services affected by the Required Action.
- (b) The Contractor shall not be required to pay the Charges in accordance with Clause 12.2(a)(ii) unless the Subcontractor provides all reasonable assistance to the Contractor and the Authority while the Authority is taking the Required Action.

12.3 Step-In on Contractor Breach

If the Required Action is taken as a result of a breach of the obligations of the Subcontractor under this Agreement, then for so long as and to the extent that the Required Action is taken and the Subcontractor is prevented from providing any part of the Services:

- (i) the Subcontractor shall be relieved from its obligations to provide that part of the Services; and
- (ii) the Contractor shall continue to pay the Charges, less an amount equal to all the Authority's costs of operation in taking the Required Action.

13. PRICE AND PAYMENT

The parties shall comply with their respective obligations under Schedule 6.

14. AUDIT

- (a) The parties shall comply with their respective obligations set out in Schedule 10.
- (b) The Subcontractor agrees that the Authority shall be entitled to exercise all the rights of the Contractor specified in Schedule 10 and the Subcontractor shall comply with its obligations under Schedule 10 with respect to the Authority in addition to the Contractor.

15. CONTRACT PERIOD AND TERMINATION

15.1 Contract Period

- (a) This Agreement shall commence on the date of this Agreement and shall continue until terminated by either party in accordance with this Clause 15 or otherwise ceasing to have effect (whether as a result of termination, frustration, avoidance or otherwise).
- (b) This Agreement shall terminate automatically on the date that the Services Agreement effectively terminates unless the Authority requires this Agreement to be novated to a New Contractor in accordance with Clause 21(b).

15.2 Voluntary Termination

- (a) The parties agree that this Agreement cannot be terminated pursuant to this Clause 15.2 without the Authority's prior written consent.
- (b) Subject to Clause 15.2(a), either party may terminate this Agreement at any time by giving not less than six months written notice to the other party stating that it is terminating this Agreement under this Clause 15.2 provided that the six month period may not expire prior to the end of the Initial Term.
- (c) Notwithstanding Clause 15.2(b), the Contractor shall be entitled to terminate this Agreement by giving written notice to the Subcontractor if directed to do so by the Authority under the terms of the Services Agreement.
- (d) The Exit Period shall commence on the date specified in the notice and this Agreement shall effectively terminate on the Termination Date.

15.3 Subcontractor's Right to Re-tender

During the Exit Period, the Contractor shall notify the Subcontractor and provide the Subcontractor with written details of its intention to subcontract any services provided by the Contractor to the Authority under the Services Agreement and the Contractor shall, if the Subcontractor wishes, consider the Subcontractor's proposal for the provision of those services on behalf of the Contractor.

15.4 Termination on Insolvency

- (a) Each party may, without limiting its other rights or remedies, terminate this Agreement immediately by written notice to the other party (the **Defaulting Party**) if any step, process, application, filing in court, order, proceeding, notice or appointment is taken or made by or in respect of the Defaulting Party for a moratorium, composition, compromise or arrangement with creditors (by way of voluntary arrangement, scheme of arrangement or otherwise), administration, liquidation (other than for the purposes of amalgamation or reconstruction), dissolution, receivership (administrative or otherwise), distress or execution, or the Defaulting Party becomes insolvent or is deemed unable to pay its debts as they fall due, or anything analogous to the foregoing occurs in any applicable jurisdiction.
- (b) The Exit Period shall commence on the date falling five Business Days after the date of the notice and this Agreement shall effectively terminate on the Termination Date.

15.5 Termination on Material Breach

- (a) Each party (the **Terminating Party**) may, without limiting its other rights or remedies, terminate this Agreement by written notice to the other party (the **Defaulting Party**), if:
- (i) the Defaulting Party is in material breach of this Agreement (and for this purpose a material breach may be a single event or a series of events taken together) and either:
 - (A) that breach is not capable of remedy;
 - (B) that breach is capable of remedy and the Defaulting Party has failed to remedy that breach within thirty (30) days after receiving written notice from the Terminating Party requiring it to do so; or
 - (C) the Terminating Party has given notice under this Clause 15.5 within the preceding ninety (90) days for the same or a substantially similar breach,and for this purpose a breach will be treated as (A) capable of remedy only if the Terminating Party can be put in the position that it would have been in but for the breach; and (B) remedied only if the Terminating Party is put in the position that it would have been in but for the breach.
- (b) The notice of termination for the purposes of this Clause 15.5 must specify:
- (i) the type and nature of breach that has occurred, giving reasonable details; and
 - (ii) that the Exit Period will commence on the day falling 5 Business Days after the date the Non-Defaulting Party sends the notice of termination and this Agreement shall effectively terminate on the Termination Date unless, in the case of a breach which is capable of remedy, the Defaulting Party rectifies the breach within that period of 20 Business Days (**Rectification Period**).
- (c) If the Defaulting Party rectifies the breach within the Rectification Period, the notice of termination will be deemed to be revoked and this Agreement will continue in force.
- (d) If the Defaulting Party fails to rectify the breach within the Rectification Period, the Exit Period will commence on the date falling five Business Days after the expiry of the Rectification Period and this Agreement shall effectively terminate on the Termination Date.
- (e) If the breach is not capable of remedy, the Exit Period shall commence on the date falling 5 Business Days after the date of the notice of termination and this Agreement shall effectively terminate on the Termination Date.

16. EXIT AND EXIT PLAN

- (a) The Subcontractor shall, within 120 Business Days after the date of this Agreement, produce a draft Exit Plan, based on the principles set out in Schedule 13 (Exit Plan), for the orderly transition of the Services (or any of the Services) from the Subcontractor to the Contractor or any New Subcontractor if this Agreement is terminated or otherwise ceases to have effect. Within 20 Business Days after the submission by the Subcontractor to the Contractor of the draft Exit Plan, the parties shall meet and respectively use all reasonable endeavours to agree the contents of the Exit Plan, based on the principles set out in Schedule 13 (Exit Plan).

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- (b) The Subcontractor shall update the Exit Plan at the commencement of each Contract Year as part of the Annual Service Plan to reflect changes in the Services and the manner of provision of the Services during that Contract Year. Following each update, the Subcontractor shall submit the revised Exit Plan to the Contractor for review. Within 20 Business Days after the submission of the revised Exit Plan by the Subcontractor to the Contractor, the parties shall meet and respectively use all reasonable endeavours to agree the contents of the revised Exit Plan.
- (c) The Subcontractor shall, in updating the Exit Plan, ensure that all necessary information and explanation required for the purpose of executing the Exit Plan and to enable suitably qualified employees of the Contractor or a New Subcontractor to be able to [use the Subcontractor System and] receive the Services is made available to the Contractor .
- (d) Within 20 Business Days prior to the commencement of the Exit Period on termination of this Agreement (or, where this Agreement ceases to have effect for any other reason, as soon as practicable afterwards), the Subcontractor shall submit to the Contractor for review and approval, a revised Exit Plan that could be implemented immediately. The parties shall meet and respectively use all reasonable endeavours to agree the contents of the Exit Plan. Until the agreement of the Exit Plan, the Subcontractor shall provide the Services to the Contractor in accordance with the last approved version of the Exit Plan (in so far as this still applies).
- (e) The Subcontractor shall during the Exit Period at the request of the Contractor continue to provide, or shall ensure that each relevant subcontractor continues to provide, all or any part of the Services (as determined by the Contractor) (as applicable). During the Exit Period, if the Contractor has requested the Subcontractor to continue to provide the Services or ensure that the Services are provided by any subcontractor, the Contractor shall continue to pay the Charges in accordance with Schedule 6.
- (f) If there is any dispute between the parties regarding, or any failure to agree, the content of the Exit Plan, either party may, by written notice to the other, refer that issue for determination in accordance with the Dispute Resolution Procedure.
- (g) During the Exit Period, the Subcontractor shall also provide to the Contractor any reasonable assistance requested by the Authority to allow the Services to continue without interruption or adverse effect following the termination of this Agreement and to facilitate the orderly transfer of responsibility for and conduct of the Services to the Contractor or a New Subcontractor. The Subcontractor shall use all reasonable endeavours to reallocate resources to provide these Services without additional costs.
- (h) During the Exit Period, the Subcontractor shall not make any material change to the Subcontractor Personnel which would have a material adverse impact on the Contractor's business or the Services without the prior written consent of the Contractor, which shall not be unreasonably withheld or delayed.
- (i) During the Exit Period and, in any event, by the end of the Exit Period:
 - (i) the Subcontractor shall, as requested by the Contractor, destroy all Project Data in its possession which is no longer relevant in accordance with PI 3/2009 (Information Assurance) and PI 6/2011 (Retention & Disposal Policy) or transfer that Project Data to the Contractor save to the extent that the Project Data is required for the purposes of providing any of the Services or to the extent it remains relevant in accordance with PI 6/2011 (Retention & Disposal Policy) to the Contractor under this Clause 16 or the Exit Plan;

- (ii) each party shall, on request of the other party, destroy or return to the other party all Confidential Information of the other party and shall certify that it has not retained or has destroyed (as applicable) the other party's Confidential Information save to the extent that information is required by the party in question for the purposes of providing or receiving any Services; and
- (iii) the Contractor and the Authority may exercise its rights in accordance with Clause 12.

17. VAT

- (a) All amounts due under this Agreement are exclusive of VAT. If any supply made or referred to in this Agreement is or becomes chargeable to VAT for which the person making the supply is liable to account the person receiving the supply (the **Recipient**) shall in addition pay the person making the supply (the **Supplier**) the amount of that VAT against receipt by the Recipient from the Supplier of a proper VAT invoice in respect of that supply.
- (b) Where this Agreement requires any party (the **Paying Party**) to repay, refund or reimburse any other party (the **Indemnified Party**) for the costs of any supplies made to the Indemnified Party, the Paying Party shall also indemnify the Indemnified Party against all liability to VAT in respect of that supply, except to the extent that the Indemnified Party is able to recover the VAT on such supply.
- (c) The Subcontractor shall provide the Contractor with any information reasonably requested by the Contractor in relation to the amount of VAT chargeable in accordance with this Agreement and payable by the Contractor to the Subcontractor.

18. TRANSPARENCY AND INFORMATION

18.1 Subcontractor's Records and Provision of Information

- (a) The Subcontractor shall:
 - (i) at all times maintain a full record of particulars of the costs of performing the Services; and
 - (ii) when requested by the Contractor, provide all of the costs referred to in Clause 18.1(a)(i), including details of any funds held by the Subcontractor specifically to cover those costs, in the form and detail as the Contractor may require.
- (b) The Subcontractor shall keep (and procure that each subcontractor shall keep) books of account in accordance with best accountancy practice with respect to this Agreement showing in detail:
 - (i) administrative overheads;
 - (ii) payments made to its subcontractors and any other operating costs;
 - (iii) capital and revenue expenditure; and
 - (iv) all other items that the Contractor may require to conduct cost audits for verification of cost expenditure or estimated expenditure, for the purpose of this Agreement.
- (c) The Subcontractor shall maintain or procure that full records are maintained of:
 - (i) the Subcontractor's performance against the Service Levels and the payment of Service Credits;

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- (ii) all incidents relating to health, safety and security which occur during the term of this Agreement; and
 - (iii) of all staff matters including turnover, pay and disciplinary matters.
- (d) The Subcontractor shall, within the timescale specified by the Contractor, provide the Contractor with all data, statistics and other information in its possession or control including information which it obtains in connection with the performance of its obligations under this Agreement which the Contractor reasonably requires for the purposes of managing this Agreement, assuring delivery of the Services, managing an offender (including information for the purposes of preparing a pre-sentence or parole report, sentencing requirements and information for other parole purposes), ensuring public protection, undertaking evaluation and obtaining evidence of measures which effectively reduce reoffending, assuring the proper use of public money and meeting its specific duties under Part 1 of the OMA including the preparation of its annual plan under section 8 of the OMA.
- (e) The Subcontractor shall provide all information requested by any or all of the Police National Crime Agency, the Security Services, the Secret Intelligence Service, Immigration Enforcement, Victim Liaison Unit, the Multi Agency (Lifer) Risk Assessment Panel and all other organisations and agencies as the Authority reasonably requests, for the purposes of those agencies carrying out their duties to protect the public from serious harm in terms of counter terrorism, radicalisation, and serious organised crime and to prevent and detect crime and assist with immigration enforcement.
- (f) The Subcontractor shall permit records referred to in this Clause 18 to be examined and copied by the Authority and the Comptroller and Auditor General and his representatives.
- (g) The records referred to in this Clause 18 shall be retained for the periods specified in the Authority's Record Retention Disposal and Archiving Policy PI 6/2011.
- (h) If the Contractor wishes to enter into an agreement with a New Subcontractor on termination of this Agreement, or engage in market testing in connection with the Services at any time during the Contract Period, the Subcontractor shall (and shall ensure that each of its subcontractors shall) comply with all requests of the Contractor to provide information which it reasonably requires for the purposes of that agreement, any associated procurement process, and engagement in market testing including in relation to the Subcontractor's costs of providing the Services.
- (i) The Subcontractor shall:
 - (i) provide to the Contractor copies of its annual report and accounts within 20 Business Days after their publication;
 - (ii) use all reasonable endeavours to assist the Contractor in its preparation of any report required by the Authority, from time to time; and
 - (iii) provide all information required by the Contractor in connection with Changes in accordance with the provisions of the Change Protocol.
- (j) The Subcontractor agrees that performance related and financial information provided to the Contractor under this Agreement will be made available to the Authority and a Commissioning Body at its request for the purposes of contract management, assessing the suitability for bidders when considering the award of contracts and overseeing the management, and the performance, of relationships with strategic suppliers at a cross-Government level.

18.2 Data Protection

- (a) The terms processing (and its derivatives), personal data, data controller, data processor and data subject shall, where used in this Agreement, have the meanings given to them under the UK Data Protection Act 1998 (the **DPA**).
- (b) Where the Subcontractor is providing the Services it is agreed that the Contractor is the data controller and the Subcontractor is the data processor, and the Subcontractor shall only process Relevant Personal Data related to those Services in accordance with the instructions of the Contractor or (where not subject to instructions of the Contractor) as otherwise set out in this Agreement.
- (c) The Subcontractor shall:
 - (i) only undertake processing of Relevant Personal Data as reasonably required in connection with the Services;
 - (ii) not process or transfer any Relevant Personal Data outside the United Kingdom without the prior written consent of the Authority;
 - (iii) other than pursuant to Clause 18.2(f) below, not process any Relevant Personal Data that it receives pursuant to this Agreement for any other reason other than in connection with the Services;
 - (iv) not disclose Relevant Personal Data to any third parties other than:
 - (A) to employees and subcontractors to whom disclosure is reasonably necessary for the Contractor to carry out the Services;
 - (B) to the extent required under a court order; or
 - (C) where explicitly permitted pursuant to this Agreement;
 - (v) bring into effect and maintain all technical and organisational measures to prevent unauthorised or unlawful processing of Relevant Personal Data and accidental loss or destruction of, or damage to, personal data including taking reasonable steps to ensure the reliability of any person having access to the personal data.
- (d) The Contractor may, at reasonable intervals, request a written description of the technical and organisational methods employed by the Subcontractor referred to in Clause 18.2(c)(v). Within 20 Business Days after a request, the Subcontractor shall, at its own cost and expense, supply written particulars of the measures to enable the Contractor to determine whether or not any Relevant Personal Data has been, or will be processed, in compliance with the DPA.
- (e) If the data subject of any Relevant Personal Data makes a written request to the Subcontractor requesting information concerning the processing of, or copies of, Relevant Personal Data, the Subcontractor shall promptly notify the Contractor of that request (including a copy of the request). and shall not respond to that request except in accordance with the Contractor's prior written instructions.
- (f) If requested by the Contractor, the Subcontractor shall provide details of the Relevant Personal Data processed by it in relation to any data subject promptly on receipt of a request by the Contractor.

18.3 Public Relations and Publicity

- (a) Subject to Clause 18.3(b), the Subcontractor shall be permitted to communicate with representatives of the press, television, radio or other communications media in order to promote and publicise its business and service capabilities as they relate to the Services.
- (b) The Subcontractor shall consult with the Contractor prior to engaging in any activity set out in Clause 18.3(a) that would involve the disclosure of any matter under this Agreement and shall not in any circumstances disclose any Confidential Information.
- (c) No facilities or permission to photograph or film in or on any property used for the provision of the Services by the Subcontractor shall be given by the Contractor to the Subcontractor without the prior written approval of the Authority.

18.4 Confidentiality

- (a) The parties agree that the provisions of this Agreement shall, subject to Clauses 18.4(d) and 18.4(e), not be treated as Confidential Information and may be disclosed without restriction.
- (b) The Subcontractor agrees that, subject to Clause 18.4(d), the Contractor is required under the terms of the Services Agreement to provide the Authority with:
 - (i) a copy of this Agreement;
 - (ii) any amendments to this Agreement; and
 - (iii) each subcontract that the Subcontractor enters into pursuant to this Agreement,in each case for the Authority to publish on a website.
- (c) Clause 18.4(a) shall not apply to provisions of this Agreement designated as Commercially Sensitive Information and listed in Part I of Schedule 15 (Commercially Sensitive Information) to this Agreement which shall, subject to Clause 18.4(h), be kept confidential for the periods specified in that Part.
- (d) Each party shall keep confidential all Confidential Information received from, or requested by the other party relating to this Agreement.
- (e) Each party (a **Recipient**) undertakes to the other party (a **Disclosing Party**) to treat as confidential all information disclosed by whatever means, in any medium or format (whether marked "confidential" or not) which the Recipient receives from the Disclosing Party, either directly or from any other person, which concerns the business, operations or customers of the Disclosing Party, its Affiliates and subcontractors, including the provisions and subject matter of this Agreement (**Confidential Information**).
- (f) The Recipient may use the Confidential Information only for the purposes of and in accordance with this Agreement. The Recipient shall, and shall procure that its Affiliates shall, not disclose Confidential Information of the Disclosing Party to any other person save that they may disclose Confidential Information of the Disclosing Party to their employees, directors, subcontractors and professional advisers and to any other party to whom this Agreement expressly permits disclosure (**Permitted Users**) on a strict "need-to-know" basis only. The Recipient shall ensure that each of its Permitted Users is bound to hold all Confidential Information in confidence to the standard required under this Agreement. Where a Permitted User is not an employee or director of the Recipient (and is not under a professional duty to protect confidentiality), the Recipient shall ensure that the

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Permitted User shall enter into a written confidentiality undertaking with the Recipient on substantially equivalent terms to this Agreement, a copy of which shall be provided to the Disclosing Party upon request.

- (g) This Clause (c) shall not apply to any information which:
 - (i) is in or subsequently enters the public domain other than as a result of a breach of this Clause (c) or a breach of equivalent confidentiality provisions of a Permitted User;
 - (ii) has been or is subsequently received by the Recipient from a Third Party which is under no confidentiality obligation in respect of that information;
 - (iii) has been or is subsequently independently developed by the Recipient without use of the Disclosing Party's Confidential Information;
 - (iv) was previously known to the Recipient free of any obligation to keep it confidential; or
 - (v) the Contractor is required to disclose under the terms of the Services Agreement.
- (h) The Subcontractor agrees that the Contractor shall be entitled to provide the Authority with a copy of this Agreement and each subcontract that the Subcontractor enters into pursuant to Clause 22.
- (i) Each Permitted User may disclose Confidential Information where that Permitted User (or, where the Permitted User is an individual, his or her employer or any Affiliate of his or her employer) is required to do so by law or by any competent regulatory authority or securities exchange on which securities of the Recipient (or any member of its corporate group) are listed. In these circumstances the Recipient shall give the Disclosing Party prompt advance written notice of the disclosure (where lawful and practical to do so) so that the Disclosing Party has sufficient opportunity (where possible) to prevent or control the manner of disclosure by appropriate legal means.
- (j) This Clause (c) shall remain in full force and effect notwithstanding the termination of this Agreement.

18.5 Freedom of Information

- (a) The parties acknowledge that the Authority is subject to the requirements of the FOIA and the Environmental Information Regulations and both parties shall facilitate the Authority's compliance with its Information disclosure requirements pursuant to the same in the manner provided for in Clause (b) to (g) (inclusive) below.
- (b) Where the Contractor receives a Request for Information from the Authority in relation to Information that the Subcontractor is holding on the Contractor's behalf, and which the Contractor or the Authority does not hold itself, the Contractor shall refer the Request for Information to the Subcontractor as soon as practicable and in any event within 5 Business Days after receiving it and the Subcontractor shall:
 - (i) provide the Contractor with a copy of the Information in the form that the Authority requires as soon as practicable and in any event within 10 Business Days (or any other period as the Contractor acting reasonably may specify) after the Authority's request; and
 - (ii) provide all necessary assistance reasonably requested by the Contractor in connection with the Information, to enable the Authority to respond to a Request for Information within the

time for compliance set out in Section 10 of the FOIA or Regulation 5 of the Environmental Information Regulations.

- (c) Following a referral under Clause 18.5(b), and until the time the Subcontractor has provided the Contractor with the Information specified in Clause 18.5(b)(i), the Subcontractor may make representations to the Contractor as to whether or not or on what basis Information requested should be disclosed, and whether further information should reasonably be provided to identify and locate the Information requested, provided always that the Contractor shall be responsible for determining at its absolute discretion:
- (i) whether Information is exempt from disclosure under the FOIA and the Environmental Information Regulations; and
 - (ii) whether Information is to be disclosed in response to a Request for Information,
- and in no event shall the Subcontractor respond directly, or allow its subcontractors to respond directly, to a Request for Information unless expressly authorised to do so by the Contractor in writing.
- (d) The Subcontractor shall ensure that all Information held on behalf of the Contractor is retained for disclosure for at least six years (from the date it is acquired) and shall permit the Contractor to inspect the Information as requested from time to time.
- (e) The Subcontractor shall transfer to the Contractor any Request for Information received by the Subcontractor as soon as practicable and in any event within 2 Business Days after receiving it.
- (f) The Subcontractor acknowledges that any lists provided by him listing or outlining Confidential Information, are of indicative value only and that the Authority may nevertheless be obliged to disclose Confidential Information in accordance with the requirements of the FOIA and the Environmental Information Regulations.
- (g) In the event of a referral from the Contractor pursuant to Clause 18.5(b), the Subcontractor shall as soon as practicable, and in any event within 5 Business Days after the referral, inform the Contractor of the Subcontractor's estimated costs of complying with the Request for Information to the extent these would be recoverable if incurred by the Authority under Section 12(1) of the FOIA and the Fees Regulations. Where the costs (either on their own or in conjunction with the Contractor or the Authority's own costs in respect of the Request for Information) will exceed the appropriate limit referred to in Section 12(1) of the FOIA and as set out in the Fees Regulations the Contractor shall inform the Subcontractor in writing whether or not it still requires the Subcontractor to comply with the Request for Information and, where it does require the Subcontractor to comply with the Request for Information, the 10 Business Days period for compliance shall be extended by the number of additional Business Days for compliance as the Authority is entitled to under Section 10 of the FOIA. In that case, the Contractor shall notify the Subcontractor of the additional Business Days as soon as practicable after becoming aware of them and shall reimburse the Subcontractor for the costs incurred by the Subcontractor in complying with the Request for Information to the extent it is itself entitled to reimbursement of those costs in accordance with its own FOIA policy from time to time.
- (h) The parties acknowledge that (notwithstanding the provisions of Clause 20.3) the Authority may, acting in accordance with the Department of Constitutional Affairs' Code of Practice on the Discharge of Functions of Public Authorities under Part I of the Freedom of Information Act 2000 (the **Code**), be obliged under the FOIA, or the Environmental Information Regulations to disclose Information concerning the Contractor, the Subcontractor or the Services:

- (i) in certain circumstances without consulting with the Contractor and/or the Subcontractor; or
- (ii) following consultation with the Contractor and/or the Subcontractor and having taken their views into account.

19. INTELLECTUAL PROPERTY

19.1 Ownership of Pre-existing Intellectual Property Rights

- (a) All Intellectual Property Rights belonging to a party prior to the date of this Agreement shall remain vested in that party.
- (b) All Intellectual Property Rights in or to any brand or trade mark shall remain vested in the owner of the relevant brand or trade mark and neither party's trade marks or brands shall be used by the other party for any purpose without the other party's prior written consent. If that consent is given, the party receiving consent shall use the relevant trade marks or brands in compliance with the consenting party's brand guidelines and in accordance with the terms and conditions of the consent or the relevant trade mark licence between the parties (if any).

19.2 Licence of Intellectual Property Rights

The Contractor grants to the Subcontractor a non-exclusive, non-transferable, royalty-free licence to use the Authority IPRs solely to the extent necessary to provide the Services in accordance with this Agreement. The Subcontractor shall ensure that the Subcontractor Personnel are made aware that the Authority IPRs are provided under licence only and, where applicable are owned by the Authority and shall comply with the terms of this licence and this Clause 19.

19.3 Notification of unauthorised use of IPRs

- (a) The Subcontractor shall immediately notify the Contractor in writing giving full particulars if any of the following matters come to its attention:
 - (i) any actual, suspected or threatened infringement of the Authority IPRs;
 - (ii) any claim made or threatened that use of the Authority IPRs infringes the rights of any third party;
 - (iii) any person applies for, or is granted, a registered trade mark by reason of which that person may be, or has been, granted rights which conflict with any of the rights granted to the Subcontractor under Clause 19.2; or
 - (iv) any other form of attack, charge or claim to which the Authority IPRs may be subject.

19.4 Consequences of termination on Authority IPRs

- (a) On termination of this Agreement for any reason and subject to any provisions set out elsewhere in this Agreement:
 - (i) all rights and licences granted pursuant to Clause 19.2 shall cease; and
 - (ii) the Subcontractor shall cease all use of the Authority IPRs.
- (b) Without prejudice to any other rights or remedies that the Contractor or the Authority may have, the Subcontractor acknowledges and agrees that damages alone would not be an adequate remedy for

any breach of the terms of this Clause 19.4 by the Subcontractor. Accordingly, the Contractor shall be entitled, without proof of special damages, to the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of the terms of this Clause 19.4.

19.5 Licence of Subcontractor IPRs

The Subcontractor grants to the Contractor, Authority and each Authority Related Party a royalty-free, non-exclusive, non-transferable, irrevocable and worldwide licence (including a right to sub-licence) to use and reproduce Subcontractor IPRs to the extent necessary to receive and use the Services.

19.6 Intellectual Property Rights Indemnity

- (a) The Subcontractor shall indemnify the Contractor on written demand in respect of all Losses incurred by or awarded against the Contractor in connection with any claim or action against the Contractor by any Third Party that the receipt by the Contractor of any Services (or any part of them) infringes the Intellectual Property Rights of that Third Party (**Subcontractor IPR Claim**) within the time specified in that written demand and shall take all steps necessary to defend the Subcontractor IPR Claim.
- (b) The Contractor shall indemnify the Subcontractor on written demand in respect of all Losses incurred by or awarded against the Subcontractor in connection with any claim or action against the Subcontractor by any Third Party that the use or possession by the Subcontractor of materials made available to the Subcontractor by the Contractor (or any part of them) infringes the Intellectual Property Rights of that Third Party (**Contractor IPR Claim**) within the time specified in that written demand and shall take all steps necessary to defend the Contractor IPR Claim.
- (c) This Clause 19.6 shall remain in full force and effect notwithstanding any termination of this Agreement.

20. PROJECT DATA

20.1 Project Data

- (a) The Authority is to be treated as the owner of Project Data and the parties agree that the Project Data is the property of the Authority. All Intellectual Property Rights in or to the Project Data shall vest in the Authority unconditionally and immediately on their creation. The Subcontractor assigns to the Authority absolutely with full title guarantee (or the title as it holds with limited title guarantee) all right, title and interest (present and future) in any Intellectual Property Rights in the Project Data.
- (b) The Contractor grants the Subcontractor a royalty-free and non-exclusive licence for the Contract Period to use the Project Data solely to the extent necessary to provide the Services in accordance with this Agreement.
- (c) The Subcontractor shall:
 - (i) store, copy or use Project Data only to the extent necessary to perform its obligations under this Agreement;
 - (ii) keep the Project Data logically segregated from all other data (including the Subcontractor's own data and the data of any other customer of the Subcontractor);
 - (iii) ensure that the Project Data is accurate and shall preserve the integrity of the Project Data and prevent the corruption or loss of the Project Data; and

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- (iv) to the extent the Project Data is held or processed or both by the Subcontractor, supply the Project Data to the Contractor in the format specified by the Contractor from time to time.
- (d) The Subcontractor shall create an accurate and up to date record relating to each Allocated Person (as applicable) on nDelius (or any other application as required by the Contractor from time to time) in accordance with each Technical Note including as required in Schedule 2 (Services), Schedule 3 (Service Levels) [and Schedule [●]] or as otherwise set out in this Agreement and which includes:
 - (i) compliance with the sentence of the court;
 - (ii) attendance as required under Schedule 4 (Services);
 - (iii) progress of the requirements to which the Allocated Person is subject;
 - (iv) any change in circumstances of the Allocated Person;
 - (v) the level of risk of Serious Harm posed by the Allocated Person;
 - (vi) key risk management decisions;
 - (vii) the Allocated Person's needs as identified by the offender manager in relation to resettlement and likelihood of reoffending;
 - (viii) key events;
 - (ix) victim information;
 - (x) reviews of the relevant Plan;
 - (xi) when the initial appointment was held with each Allocated Person; and
 - (xii) all other relevant information.

For all other Project Data relating to Allocated Persons that is not recorded on nDelius, the Subcontractor shall use the Contractor's reporting templates as requested from time to time.

- (e) The Contractor shall not:
 - (i) delete or remove any proprietary notices contained within or relating to the Project Data;
 - (ii) disclose Project Data to any Third Party (other than permitted subcontractors) or any of the Subcontractor's customers without the prior written approval of the Contractor except if required to do so by a Relevant Authority or by any Legislation provided it notifies the Contractor in writing that it is required to do so before the disclosure (if permitted to do so by the relevant Legislation) or after it has made the disclosure if prior notification is prohibited by the relevant Legislation; and
 - (iii) use the Project Data to solicit any business for any of the Subcontractor's products or services,

save as expressly permitted under Clauses 20.1(b) or Clause 14.

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- (f) If any part of the Project Data ceases to be required by the Subcontractor for the performance of its obligations under this Agreement and, in any event, on or before the Termination Date, the Subcontractor shall promptly return that Project Data to the Contractor.
- (g) If any Project Data is corrupted, lost or degraded as a result of the Subcontractor's failure to comply with the Authority ICT Policies or any other breach by the Subcontractor of this Agreement, the Subcontractor shall, without limiting the Contractor's other rights or remedies, at its own cost and expense carry out any remedial action necessary to restore or replace the corrupted, lost or degraded Project Data.
- (h) In all other circumstances not covered by Clause 20.1(g), if the Project Data is corrupted, lost or degraded, the Contractor shall carry out, so far as it is reasonably capable, those remedial actions which are reasonably necessary to restore Project Data as the Contractor reasonably requires and at the Contractor's cost and expense.
- (i) If and to the extent the Project Data comprises personal data, this shall be processed always in accordance with Clause 18.2.

20.2 Back-up and safe storage of data

The Subcontractor shall ensure the back up and storage in safe custody of the Project Data at all times during the Contract Period in accordance with Good Industry Practice. Without prejudice to this obligation, the Subcontractor shall comply with all procedures for back-up and storage of Project Data which the Contractor reasonably requires.

20.3 Conflicts of Interest

The Subcontractor shall take appropriate steps to ensure that neither the Subcontractor nor any Subcontractor Personnel is placed in a position where there is or may be an actual conflict or potential conflict, between the interests of the Subcontractor and the duties owed to the Contractor under the provisions of this Agreement.

21. ASSIGNMENT

- (a) Neither party shall assign, transfer or otherwise dispose of any of its rights or transfer (including by way of novation) or otherwise dispose of any of its obligations under this Agreement, without the prior written consent of the other party and any such purported assignment, transfer or disposal shall be void.
- (b) If the Services Agreement expires or terminates, the Subcontractor shall, at the request of the Authority, novate its obligations under this Agreement to a New Contractor.

22. SUBCONTRACTING

22.1 Contractor's consent

- (a) [The Subcontractor shall not subcontract the provision of any material part of the Services under this Agreement without the Contractor's prior written consent which shall not be unreasonably withheld or delayed, but may be made subject to conditions.]
- (b) [The Subcontractor shall not be required to obtain the Contractor's consent to the subcontracting of the provision of equipment, software, services or facilities necessary for the general discharge of the Subcontractor's business.] [*Explanatory Note: Include 22.1(a) and (b) in Material Subcontracts only.*]

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- (c) [The Subcontractor shall be entitled to subcontract the provision of the Services and] [*Explanatory Note: Include previous line only if NOT a Material Subcontract.*] The Subcontractor shall provide the Contractor with a copy of [that/each] subcontract as soon as reasonably practicable after it has been entered into together with each amendment to that subcontract as soon as reasonably practicable after that amendment has been made.
- (d) The Subcontractor shall in relation to this Agreement:
 - (i) be responsible for all acts and omissions of each of its subcontractors as fully as if they were the acts and omissions of the Subcontractor or its employees or agents; and
 - (ii) be the Contractor's sole point of contact for the performance of the Subcontractor's obligations under this Agreement.

22.2 Subcontract Terms

- (a) The Subcontractor is authorised to make contractual or other arrangements with subcontractors for purposes connected with the Services.
- (b) The Subcontractor shall, and shall procure that each subcontractor shall, perform its obligations under and observe all the terms of each subcontract.
- (c) The Subcontractor shall:
 - (i) ensure that none of the terms and conditions of a subcontract shall contradict any term or condition of this Agreement;
 - (ii) prohibit any changes to a subcontract including any commitments to volumes without the Contractor's prior written consent which shall not be unreasonably withheld or delayed;
 - (iii) provide in the subcontract for the subcontractor to be a provider of probation services for the purposes of all Legislation within the meaning of Section 3(6) of the OMA.
 - (iv) prior to entering into a subcontract, complete together with the subcontractor, an ISPA Questionnaire in which it shall identify all risks to be assumed by the subcontractor under the relevant subcontract, quantify those risks and describe the impact on the business of the subcontractor of those risks;
 - (v) describe to the Contractor in reasonable detail, the risks to be assumed by the subcontractor and confirm to the Contractor in writing that those risks have been addressed reasonably;
 - (vi) not enter into a subcontract which allocates to the subcontractor a risk which, if it were to materialise, would have a material adverse effect on the business or financial stability of the subcontractor or which it would not be reasonably able to control to a material degree;
 - (vii) without prejudice to Clause 22.2(c)(vi) provide for the level of risk to be allocated to the subcontractor to be proportionate to the types of services which are the subject of the subcontract, the fees payable for those services and the extent to which payment depends on a reduction in reoffending by the Allocated Persons which are the subject of the subcontract;
 - (viii) ensure that a subcontractor is rewarded and recognised for good performance and shares good practice and effectiveness in the provision of the services amongst all of its subcontractors; and

- (ix) [comply with all conditions imposed by the Contractor or the Authority as a condition of its consent to that subcontract.] [*Explanatory Note: Include 22.2(c)(ix) in the case of Material Subcontracts only.*]
- (d) The Subcontractor shall comply, ensure that each subcontractor complies, and ensure that the terms of each subcontract are compliant, at all times with the Market Stewardship Principles and Good Industry Practice.

22.3 Use of Subcontractors

Nothing in this Agreement shall prohibit or prevent any subcontractor employed by the Subcontractor from being employed by the Authority or the Contractor or any other contractor of services to the Authority at any establishments of the Authority or the Contractor, as applicable.

22.4 Replacement of subcontractors

The Subcontractor shall terminate a subcontract within 20 Business Days after receiving written notice from the Contractor requiring it to do so where the Contractor has been requested to do so by the Authority and the Subcontractor shall ensure that it has the right to terminate each subcontract on terms equivalent to this clause 22.4.

23. DISPUTE RESOLUTION

- (a) The parties agree that each dispute arising under or in relation to any aspect of this Agreement or any non-contractual obligations arising under or in connection with it (a **Dispute**) shall be resolved in accordance with this Clause 23.
- (b) If a Dispute arises, the Contractor and the Subcontractor shall consult in good faith in an attempt to come to an agreement in relation to the disputed matter.
- (c) Each Dispute shall be referred for resolution by either party first to:
 - (i) in the case of the Contractor, the Relationship Manager appointed by the Contractor; and
 - (ii) in the case of the Subcontractor, the Relationship Manager appointed by the Subcontractor.
- (d) If the Dispute cannot be resolved by the Relationship Managers in accordance with Clause 23(c) within 10 Business Days after the Dispute has arisen, either party may give written notice to the other party that a Dispute has arisen (**Dispute Notice**). Within five Business Days after the date of the Dispute Notice, the Dispute shall be referred to the Chief Executive Officers of the Contractor and the Subcontractor for resolution. If the Dispute is not resolved by agreement in writing between the parties within 10 Business Days after the date of the Dispute Notice, the Dispute shall be resolved in accordance with the remaining provisions of this Clause 23 or Clause 24.13, as the case may be.
- (e) A Dispute may at either party's request be referred to mediation. The mediation shall be conducted by a single mediator appointed by the parties or, if the parties are unable to agree on the identity of the mediator within 15 Business Days after the date of the request that the Dispute be resolved by mediation, or if the person appointed is unable or unwilling to act, the mediator shall be appointed by the Centre for Effective Dispute Resolution (CEDR) in London on the application of either party. The mediation shall be conducted in a mutually convenient venue as agreed between the parties and the mediator pursuant to a procedure established by the mediator in his or her absolute discretion. Mediation does not limit the rights and remedies of the parties in any future proceedings. The costs

of the mediation, including the fees and expenses of the mediator shall be borne equally by the parties.

- (f) This Clause 23 and Clause 24.12 do not limit either party's right to seek interim relief (such as an injunction) against the other party through the English courts to protect its rights and interests, or to enforce the obligations of the other party.

24. MISCELLANEOUS

24.1 Announcements

Neither party shall:

- (i) [subject to Clause 18.3,]make or authorise any public or private announcement or communication concerning this Agreement; or
- (ii) refer to or use any business name or trade mark of the other party in any promotional communications,

without the prior written consent of the other party, except where required by Legislation.

24.2 Notices

- (a) Any notice or other communication to be given under this Agreement to a party must be in writing [(which includes fax, but not any other form of electronic communication (as defined in the Electronic Communications Act 2000))] and must be delivered or sent by post [or facsimile] to the party to whom it is to be given at its address set out below:

- (i) [to the Contractor at:

[●]

Marked for the attention of: [●]]

- (ii) to the Subcontractor at:

[●]

Marked for the attention of: [●]

or at any other address [or facsimile number] as it shall have notified to the other party in accordance with this Clause 24. Any notice or other communication sent by post shall be sent by prepaid first class recorded delivery post (if within the United Kingdom) or by prepaid airmail (if elsewhere).

- (b) Any notice or other communication shall be deemed to have been given:

- (i) if delivered, on the date of delivery;
- (ii) if sent by post, on the second Business Day after it was put into the post; or
- (iii) if sent by facsimile, on the date of transmission, if transmitted before 3.00 p.m. (local time at the country of destination) on any Business Day, and in any other case on the Business Day following the date of transmission..

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- (c) In proving the giving of a notice or other communication it shall be sufficient to prove that delivery was made or that the envelope containing the communication was properly addressed and posted by prepaid first class recorded delivery post or by prepaid airmail or that the facsimile message was properly addressed and transmitted, as the case may be.
- (d) This Clause 24.2 shall not apply in relation to the service of any claim form, notice, order, judgement or other document relating to or in connection with any proceedings, suit or action arising out of or in connection with this Agreement.

[Explanatory Note: The parties will need to consider use of fax for notices.]

24.3 Entire Agreement

- (a) This Agreement (and the documents referred to in it) contains the whole agreement between the parties relating to the transactions contemplated by this Agreement and supersedes all previous agreements between the parties relating to these transactions. Except as required by statute, no terms shall be implied (whether by custom, usage or otherwise) into this Agreement.
- (b) Each party acknowledges that, in agreeing to enter into this Agreement, it has not relied on any express or implied representation, warranty, collateral contract or other assurance (except those set out in this Agreement and the documents referred to in it) made by or on behalf of the other party at any time before the signature of this Agreement.
- (c) Each party waives all rights and remedies which, but for Clause 24.3(b), might otherwise be available to it in respect of any such express or implied representation, warranty, collateral contract or other assurance.
- (d) Nothing in Clause 24.3(a) limits or excludes any liability for fraud.

24.4 Third Party Rights

- (a) The Subcontractor acknowledges and agrees that the Contractor has entered into this Agreement for its own benefit and for the benefit of the Authority.
- (b) The Authority may enforce against the Subcontractor under the Contracts (Rights of Third Parties) Act 1999 any Clause in this Agreement even though the relevant Clause may be silent as to which person is intended to have the benefit of the relevant obligation, refer only to the Contractor or not specifically identify the Authority or a Commissioning Body but subject always to the liability provisions in this Agreement, which shall apply, making the necessary changes, to claims made by the Authority.
- (c) This Agreement may not, without the prior written consent of the Authority (that consent not to be unreasonably withheld or delayed), be varied or terminated in any way that might affect the rights of the Authority and any Authority Related Party under this Clause 24.4.
- (d) This Clause 24.4 does not affect any right or remedy of a third party which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

24.5 Waiver

The rights of each party under this Agreement:

- (i) may be exercised as often as necessary;

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- (ii) except as otherwise provided by this Agreement, are cumulative and not exclusive of rights or remedies provided by law; and
- (iii) may be waived only in writing and specifically.

Delay in the exercise or non-exercise of any right is not a waiver of that right. A waiver of any right or remedy arising from a breach of this Agreement shall not constitute a waiver of any right or remedy arising from any other or subsequent breach of this Agreement.

24.6 No partnership or agency

At all times during the Contract Period, the Subcontractor shall be an independent contractor and nothing in this Agreement shall be construed as creating a partnership, a contract of employment or a relationship of principal and agent between the Authority and the Subcontractor or the Contractor and the Subcontractor and accordingly neither the Contractor nor the Subcontractor shall be authorised to act in the name of, or on behalf of, or otherwise bind the other party save as expressly permitted by the terms of this Agreement.

24.7 Severability

The provisions contained in each Clause and paragraph of this Agreement shall be enforceable independently of each of the others and their validity shall not be affected if any of the others is invalid. If any provision is void but would be valid if some part of the provision were deleted, the provision in question shall apply with such modification as may be necessary to make it valid.

24.8 Amendments

- (a) The parties agree that this Agreement cannot be amended without the Authority's prior written consent.
- (b) No amendment of this Agreement shall be binding on the parties unless set out in writing, expressed to amend this Agreement and signed by an authorised representative of each of the parties.

24.9 Further assurance

Each party undertakes, at the request and cost and expense of the other party, to sign all documents and to do all other acts which may be necessary to give full effect to this Agreement.

24.10 Costs

- (a) Each party shall pay the costs and expenses incurred by it in connection with the entering into of this Agreement.
- (b) Where this Agreement provides for the Contractor to pay costs to the Subcontractor, the Subcontractor shall be entitled to recover those costs from the Contractor provided that it demonstrates, to the reasonable satisfaction of the Contractor, that the costs incurred could not reasonably be mitigated or recovered by the Subcontractor acting in accordance with Good Industry Practice.

24.11 Counterparts

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement, and any party (including any duly authorised representative of a party) may enter into this Agreement by executing a counterpart.

24.12 Welsh Language

- (a) The Subcontractor shall ensure that all of the Services provided by or on behalf of the Contractor in Wales will operate within the requirements of the Welsh Language Scheme. The Subcontractor shall, at all times during the Contract Period, comply with the principles of the Authority's Welsh Language Scheme at no cost to the Contractor, specifically in relation to provision of written material in a bilingual format and access to Welsh-speaking authorised employees.
- (b) For the purposes of this Clause 24.12, the Welsh Language Scheme means the scheme issued in writing by the Authority from time to time which can be found on the Authority Website.

24.13 Governing Law and Jurisdiction

- (a) This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by English law.
- (b) Subject to the Dispute Resolution Procedure, the courts of England shall have exclusive jurisdiction to settle any dispute, claim or controversy arising out of or in connection with this Agreement (including a dispute, claim or controversy relating to any non-contractual obligations arising out of or in connection with this Agreement) and the parties accordingly submit to the exclusive jurisdiction of the English courts.

THIS AGREEMENT has been signed on behalf of the parties by their duly authorised representatives on the date which appears on page 1.

SCHEDULE 1

DEFINITIONS AND INTERPRETATION

1. INTERPRETATION

- 1.1 In this Agreement any reference, express or implied, to an enactment (which includes any legislation in any jurisdiction) includes:
- (a) that enactment as amended, extended or applied by or under any other enactment (before, on or after the execution of this Agreement);
 - (b) any enactment which that enactment re-enacts (with or without modification); and
 - (c) any subordinate legislation made (before, on or after the execution of this Agreement) under that enactment, including (where applicable) that enactment as amended, extended, or applied as described in paragraph 1.1(a), or under any enactment which it re-enacts as described in paragraph 1.1(b).
 - (d) In this Agreement:
 - (i) any reference to a **person** includes a body corporate, unincorporated association of persons (including a partnership), government, state, agency, organisation, and any other entity whether or not having a separate legal personality and an individual, his estate and personal representatives;
 - (ii) subject to Clause 22, any reference to a party to this Agreement includes a reference to the successors or assigns (immediate or otherwise) of that party;
 - (iii) any reference importing a gender includes the other genders;
 - (iv) any reference to a time of day is to London time;
 - (v) any reference to writing includes typing, printing, lithography and photography but excludes any form of electronic communication (as defined in the Electronic Communications Act 2000) [provided that each party may send general communications in relation to this Agreement (other than the notices in [insert references to relevant clauses where formal notices are provided]) to the other party by email (and Clause 24.2 shall not apply to those communications)][*Explanatory Note: The parties should consider whether email should be used for operation communication.*];
 - (vi) each reference to a document is to that document as amended, varied, assigned or novated from time to time otherwise than in breach of this Agreement or that document;
 - (vii) each reference to a Clause or Schedule is to a clause of, or a schedule to, this Agreement;
 - (viii) each reference to a paragraph is to a paragraph of a Schedule;
 - (ix) the Schedules form part of this Agreement;

- (x) the headings do not affect the interpretation of this Agreement; and
 - (xi) any reference to a company includes any company, corporation or other body corporate wherever incorporated.
- (e) In this Agreement each reference to indemnifying any person against any event, matter or circumstance shall be construed as a reference to indemnifying that person in full and holding that person harmless on an after Tax basis from and against all Losses suffered or incurred by that person, in each case arising out of any and all claims (whether or not successful, compromised or settled), actions, demands, proceedings or judgments which may be instituted, made, threatened, alleged, asserted or established in any jurisdiction against or otherwise involving that person, including Losses suffered or incurred in establishing a right to be indemnified under this Agreement, and indemnified and indemnify and similar expressions shall be interpreted accordingly.
- (f) A reference in this Agreement to any English legal term for any action, remedy, method or form of judicial proceeding, legal document, court or any other legal concept or matter will be deemed to include a reference to the corresponding or most similar legal term in any jurisdiction other than England, to the extent that jurisdiction is relevant to the transactions contemplated by this Agreement or the terms of this Agreement.
- (g) If there is any conflict or inconsistency between any of:
- (i) a term in the main body of this Agreement;
 - (ii) a term in any of the Schedules;
 - (iii) a term in any of the Appendices to the Schedules; and
 - (iv) any term included in any other document incorporated by reference into this Agreement,
- the term falling into the category first appearing in the list above shall, unless expressly stated otherwise, take precedence.
- (h) The *ejusdem generis* rule does not apply to this Agreement. Specific words indicating a type, class or category of thing do not restrict the meaning of general words following specific words, such as general words introduced by the word "other" or a similar expression. General words followed by specific words shall not be restricted in meaning to the type, class or category of thing indicated by the specific words. The words including and include shall mean "including without limitation" and "include without limitation", respectively.
- (i) In the Schedules, capitalised terms that are not defined in this Schedule 1 shall have the meaning given to them in the relevant Schedule.
- (j) Paragraphs 1.1(a) to 1.1(g) (inclusive) of this Schedule 1 apply unless expressly stated otherwise in this Agreement.

2. DEFINITIONS

Affiliate means, in relation to any person, any Holding Company or subsidiary of that person or any subsidiary of that holding company and "holding company" and "subsidiary" shall have the meaning given to them in Section 1159 of the Companies Act 2006, save that, for the purposes of determining

whether one entity is an Affiliate of another, any transfer of shares by way of security or to a nominee of the transferor shall be disregarded;

Agreement means this agreement and its Schedules and Appendices;

Allocated Person means a person who has been allocated to the Subcontractor by the Contractor in relation to the Services;

Annual Service Plan has the meaning given to it in Clause 2.1(a);

Assets means all assets and rights to enable the Contractor or a successor subcontractor to provide the Services in accordance with this Agreement, including:

- (a) any books and records (including operating and maintenance manuals, health and safety manuals and other know-how);
- (b) any revenues and any other contractual rights; and
- (c) any intellectual property rights,

but excluding any assets and rights in respect of which the Contractor is full legal and beneficial owner;

Authority means the Secretary of State for Justice;

Authority IPRs means those Intellectual Property Rights owned by the Authority;

Authority Premises means premises owned, controlled or occupied by the Authority that are made available to the Contractor or the Subcontractor in connection with the provision of the Services from time to time;

Authority ICT Policies means the ICT and security related policies, guidelines and requirements issued in writing by the Authority from time to time, as amended from time to time by the Authority which can be found on the Authority Website;

Authority Related Party means the Police and Crime Commissioners and a government department, agency or a non-departmental government body, in each case as the Authority may specify and an officer, agent, contractor, employee or subcontractor (of any tier) of the Authority acting in the course of his office or employment or appointment (as appropriate) but excluding, in each case, the Contractor, any Contractor Related Party and the Subcontractor;

Authority Website means that part of www.[●] headed [●] or headed with a similar title or heading;

Business Continuity Plan means the business continuity plan referred to in Clause 8.3 and set out in Schedule 8;

Business Day means a day (other than a Saturday or Sunday) on which banks are open for domestic business in the City of London;

Change means each addition to or amendment of this Agreement other than Clauses [];
[Explanatory Note: Specify changes which should not be subject to protocol but subject to the variation clause such as those relating to liability.]

Change Protocol means the procedure for agreeing and implementing Changes as set out in Schedule 7;

Charges means the payment calculated in accordance with Schedule 5;

[Colocation Agreement means an agreement dated [●] 2014 between the Contractor and the Authority relating to the occupation of, and the provision of facilities in, certain of the Authority's property; *[Explanatory Note: To be deleted if not applicable.]*

Commercially Sensitive Information means the sub-set of Confidential Information listed in column 1 of Part 1 (Commercially Sensitive Contractual Provisions) and column 1 of Part 2 (Commercially Sensitive Material) of Schedule 15 (Commercially Sensitive Information) in each case for the period specified in column 2 of Parts 1 and 2 of Schedule 15;

Compact means the agreement between the Government and civil society organisations which can be found at: www.cabinetoffice.gov.uk/sites/default/files/resources/The%20Compact.pdf;

Confidential Information means:

- (a) information that ought to be considered as confidential (however it is conveyed or on whatever media it is stored) and may include information whose disclosure would, or would be likely to, prejudice the commercial interests of any person, trade secrets, Intellectual Property Rights and know-how of either party and all personal data and sensitive personal data within the meaning of the Data Protection Act 1988; and
- (b) Commercially Sensitive Information;

Continuous Improvement Report means the report referred to in Clause 2.3(b);

Contract Period means the period from and including the date of this Agreement to the Termination Date;

Contract Review has the meaning given to it in Clause 2.4(a);

Contract Year means a period of 12 months commencing on the [date of this Agreement/the first January following the date of this Agreement] or on an anniversary of the [date of this Agreement/such first January]except for the first Contract Year which shall commence on the date of this Agreement and terminate on the December 31 following the date of this Agreement and the last Contract Year which shall commence on the January 1 prior to the Termination Date and end on the Termination Date;

Contractor Premises means premises in the possession or control of the Contractor, its Affiliates or any Subcontractor (which are not Authority Premises) from which the Services are delivered, in whole or in part or otherwise relate to the provision of the Services or the performance of the Contractor's other obligations arising under or in connection with this Agreement [including those premises of the Authority which are [leased to the Contractor pursuant to a Lease Agreement] [licensed to the Contractor pursuant to a Colocation Agreement];

Contractor Related Party means each of the Contractor, Contractor's Affiliates, agents and contractors and its or their subcontractors of any tier and its or their directors, officers and employees, but excluding the Subcontractor and its directors, officers and employees;

Dependency means the actions of the Contractor set out in Schedule 4;

Direction means any applicable guidance or direction with which the Contractor is bound to comply including national standards for the management of offenders under Section 7(1) of the OMA and guidelines published by the Authority under Sections 10(1) and 10(2) of the OMA;

Dispute has the meaning give to it in Clause 23(a);

Dispute Resolution Procedure means the procedure for the resolution of disputes specified in Clause 23;

DPA means the Data Protection Act 1998;

Effective Date means the date of this Agreement;

Employment Regulations means the Transfer of Undertakings (Protection of Employment) Regulations 2006;

Environmental Information Regulations means the Environmental Information Regulations 2004 together with any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such regulations;

Equalities Legislation means the Racial and Religious Hatred Act 2006, the Civil Partnership Act 2004, the Gender Recognition Act 2004 and the Equality Act 2010;

Escalation Process means the process set out in Clause 23;

Exit Period means the period of up to six months as specified by the Contractor commencing on the date specified in the termination notice;

Exit Plan means the plan for the orderly transition of Services from the Subcontractor to the Contractor or one or more New Subcontractors based on the procedures set out in Schedule 13;

Explanatory Guide means the explanatory guide to the terms in the Industry Standard Partnering Agreement published on the Authority Website from time to time;

Fees Regulations means the Freedom of Information and Data Protection (Appropriate Limit and Fees) Regulations 2004;

FOIA means the Freedom of Information Act 2000 and any subordinate legislation (as defined in section 84 of the Freedom of Information Act 2000) made under the Freedom of Information Act 2000 from time to time together with any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such Act;

Good Industry Practice means that degree of skill, care, prudence and foresight and operating practice which would reasonably and ordinarily be expected from time to time of a skilled and experienced operator (engaged in the same or similar type of undertaking as that of the Contractor) or any Subcontractor under the same or similar circumstances;

HMG Data means any data that relates to or contains reference to Allocated Persons and pursuant to the Authority Policy “Security Notice – Handling Protectively Marked Information” shall be protectively marked or any replacement to the “protective” standard;

Holding Company has the meaning given to it in Section 1159 of the Companies Act 2006, save that for the purposes of determining whether one entity is a Holding Company of another any transfer of shares by way of security or to a nominee of the transferor shall be disregarded;

Industry Standard Partnering Agreement (ISPA) means the Authority's standard contract document for its subcontracting arrangements;

Information has the meaning given under section 84 of the Freedom of Information Act 2000;

Initial Term means the period of 36 months from the Effective Date;

Intellectual Property Rights means any and all patents, trade marks, service marks, copyright, database rights, moral rights, rights in a design, know-how, confidential information and all or any other intellectual or industrial property rights whether or not registered or capable of registration and whether subsisting in the United Kingdom or any other part of the world together with all or any goodwill relating or attached thereto which is created, brought into existence, acquired, used or intended to be used by the Contractor for the purposes of providing the Services and/or otherwise for the purposes of this Agreement;

Interest Rate means the statutory rate of interest from time to time under the Late Payment of Commercial Debts (Interest) Act 1998;

ISPA Questionnaire means the questionnaire set out in Schedule 2;

[Lease Agreement] means an agreement dated [] 2014 between the Contractor and the Authority for the lease to the Contractor of certain of the Authority's property;] *[Explanatory Note: To be deleted if not applicable.]*

Legislation means any Act of Parliament or subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978, any exercise of the Royal Prerogative, and any enforceable EU right within the meaning of Section 2 of the European Communities Act 1972 (as amended), in each case in the United Kingdom;

Losses means all damages, losses, liabilities, costs, expenses (including legal and other professional charges and expenses), and charges whether arising under statute, contract or at common law or in connection with judgments, proceedings, internal costs or demands;

Mandatory Prison Service Instructions means the Prison Service Instruction which is marked as mandatory;

Mandatory Probation Instructions means the Probation Instruction which is marked as mandatory;

Market Stewardship Principles means the principles set out in Schedule 3;

New Contractor means the person who has entered or who will enter into an agreement with the Authority for the provision of services the same as or substantially the same as the services under the Services Agreement in substitution for the services that the Contractor currently provides under the Services Agreement;

New Subcontractor means the person who has entered or who will enter into an agreement with the Contractor for the provision of services the same as or substantially the same as the Services in substitution for the Services;

OMA means the Offender Management Act 2007;

personal data means personal data as defined in the DPA which is supplied to the Contractor by the Authority or obtained by the Contractor in the course of performing the Service;

Plan means, with respect to an Allocated Person, a plan that comprises: (i) the identification of the present risk of Serious Harm of that Allocated Person; (ii) the proposed management and mitigation of the [present] risk of Serious Harm if that Allocated Person presents a medium risk of Serious Harm; (iii) the needs of the Allocated Person in the context of the delivery of the Services and the identification of the likelihood of that Allocated Person reoffending; and (iv) the activity to be undertaken with the Allocation Person to deliver that part of the sentence of the court to be served in the community and to reduce the likelihood of reoffending;

Prison Service Instructions means a prison service instruction issued in writing by the Authority from time to time which can be found on the Authority Website;;

Probation Instructions means a probation instruction issued in writing by the Authority from time to time which can be found on the Authority Website;

Prohibited Employment Grounds means the following protected characteristics among those listed within Section 4 of the Equality Act 2010, namely:

- (a) age;
- (b) disability;
- (c) gender reassignment;
- (d) marriage and civil partnership;
- (e) pregnancy and maternity;
- (f) race;
- (g) religion or belief;
- (h) sex;
- (i) sexual orientation.

Project Data means:

- (a) all data, drawings, reports, documents, plans, software, formulae, calculations and other data relating to the design, structure, testing or operation of the Services;
- (b) all other materials, documents or data (including HMG Data) acquired or brought into existence or used in relation to the Services or this Agreement,

in each case that is used or created by the Contractor, any Contractor Related Party or the Subcontractor for the purpose of the provision of the Services or otherwise for this Agreement;

Relationship Manager means each party's representative appointed [to manage the contractual relationship with the other party under this Agreement];

Relevant Authority means any court with the relevant jurisdiction and any local, national or supra-national agency, authority, inspector, minister, ministry, official or public or statutory person of the government of the United Kingdom or of the European Union;

Relevant Personal Data means all personal data processed in connection with this Agreement;

Remedial Plan has the meaning given to it in Clause 2.5(b)(i);

Remedial Plan Process has the meaning given to it in Clause 2.5(a);

Request for Information shall have the meaning set out in the FOIA or the Environmental Information Regulations as relevant (where the meaning set out for the term "request" shall apply);

Required Action has the meaning given to it in Clause 12;

Security Vetting Requirements means the security vetting requirements issued in writing by the Authority from time to time which can be found on the Authority Website;

Serious Concerns has the meaning given to it in Clause 2.5(a);

Serious Harm means, at any given time, as reasonably determined by the Authority, a life-threatening and/or traumatic event occurring in respect of an individual from which recovery, whether physical or psychological, can be expected to be difficult or impossible;

Service Credits means the service credits set out in Schedule 5;

Service Levels means the service levels set out in Schedule 5;

Service Report means the service report referred to in Clause 2.4(b);

Services means the services set out in Schedule 4;

Services Agreement means the amended and restated services agreement dated [●] 2014 between the Secretary of State for Justice and the Contractor pursuant to which the Secretary of State for Justice appointed the Contractor as a provider of rehabilitation services;

Subcontractor Personnel means all employees, agents and consultants of the Subcontractor and its Affiliates and any subcontractor engaged in the performance of the Subcontractor's obligations arising under or in connection with this Agreement (including the Services);

Subcontractor System means the equipment, computer programs, technical information and documentation used by the Subcontractor for the provision of the Services or the performance of its other obligations under this Agreement, as varied, updated and renewed from time to time;

Tax means any kind of tax, duty, levy or other charge (other than VAT) whether or not similar to any in force at the date of this Agreement and imposed by a Relevant Authority;

Technical Note means a technical note of instruction setting out applicable fields and codes to be completed by the Contractor when recording data in accordance with this Agreement issued in writing by the Authority from time to time which can be found on the Authority Website;

Termination Date means the date set out in the notice to terminate provided pursuant to Clause 17.2(b) on which the Exit Period expires and this Agreement is effectively terminated in accordance with Clause 15;

Third Party means each person or entity that is not a party to this Agreement; and

VAT means any value added taxes.

SCHEDULE 2

INDUSTRY STANDARD PARTNERING AGREEMENT QUESTIONNAIRE

This questionnaire must be completed before an Industry Standard Partnering Agreement is entered into. It is to be used as a checklist to confirm that both parties have identified all the risks to be assumed by the Subcontractor under the Agreement, quantified those risks and described the impact of those risks on the Subcontractor’s business.

Terms defined in the Industry Standard Partnering Agreement shall have the same meaning in this questionnaire.

	Principle/Requirement	Confirmed	Specify provision in ISPA where principle/requirement is addressed (where applicable)
1	[Has the Contractor obtained the written consent of the Authority to subcontract the provision of the Services under the Agreement?] <i>[Explanatory Note: Material Subcontracts only]</i>		
2	Has the Contractor ensured that none of the terms of the Agreement contradict the Services Agreement?		
3	Does the Agreement provide for the Subcontractor to input into the Contractor’s Annual Service Plan under the Services Agreement? Proportionate Input. It is expected that the Subcontractor will have input into the Contractor’s Annual Service Plan under the Services Agreement. Expectations should be proportionate to the level of business given to the Subcontractor.		
4	Is the Contractor obliged under the terms of the Agreement to support that the Contractor in providing the Services (e.g. business support, IT support, office space etc.)		
5	Have the parties analysed and quantified (i) the extent of the risk transferred to the Subcontractor and (ii) all potential materially adverse effects of the provision of the Services on the Subcontractor’s business and financial stability?		
6	Has the Subcontractor confirmed that it has not		

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	been allocated a risk which, if it were to materialise, would have a material adverse effect on its business or financial stability or which it would not be reasonably able to control to a material degree?		
7	Have the parties implemented a governance process incorporating key contact points within their respective organisations, regular meetings and recording of key decisions taken and a clear escalation process for the resolution of disputes, in each case in accordance with Good Industry Practice?		
8	Have the parties implemented a practitioner forum or any other method of sharing and publicising good practice?		
9	Does the Agreement allow for the Subcontractor to further subcontract its obligations under the Agreement to another provider?		
10	Does the Subcontractor understand its statutory obligations under the Agreement?		
11	Is the Subcontractor satisfied that the risk allocated to it under this Agreement is proportionate to the services it is providing and the payment it will receive for those services?		
12	Does the Agreement provide for the Subcontractor to be rewarded and recognised for good performance?		
13	Has the Contractor confirmed that it will meet its commitments to the Authority with respect to volumes to the Subcontractor?		
14	Have both parties read and understood the Market Stewardship Principles and confirmed that this Agreement is compliant with these principles?		
15	Has the Subcontractor acknowledged and agreed that any further subcontracting under this Agreement will be compliant with these principles?		
16	Does the description of the Services in Schedule 4 accurately reflect the services the Subcontractor will be providing?		
17	Are the Service Levels set at a realistic level that		

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	reflects market practice, and can the Subcontractor achieve them without incurring a disproportionate cost or investment?		
18	Has the Subcontractor understood the Information Security requirements under this Agreement and confirmed that it has the infrastructure in place to meet these requirements?		
19	Has the Subcontractor confirmed that it has sufficiently competent and efficient Contractor Personnel to provide the Services?		
20	Has the Contractor provided, or arranged to provide, the Subcontractor with all necessary access, and permits to access, Authority Premises or Contractor Premises, as applicable?		
21	Has the Subcontractor taken out the necessary insurances as would be maintained by a reasonably prudent supplier of the same services?		
22	Has the Subcontractor understood the Audit requirements under Schedule 10 and confirmed that it will comply and assist with the Contractor's and the Authority's audit requirements?		
23	Has the Subcontractor put in place adequate technical and organisational measures to ensure compliance with its data protection requirements under this Agreement and UK data protection laws?		
24	Does the Subcontractor understand its obligations under this Agreement to transfer its rights and obligations to a New Contractor who replaces the Contractor at the request of the Authority?		
25	Has each party made the necessary arrangements to allow the other party to benefit from the licence to use the intellectual property rights of the other, and the Authority as applicable, from the date of this Agreement?		

<p>SIGNED by [] for and on behalf of [CONTRACTOR]</p>	
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ITN DRAFT: 31.01.14

<p>SIGNED by [] for and on behalf of [SUBCONTRACTOR]</p>	
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**ANNEX TO SCHEDULE 2
COMPLETED ISPA QUESTIONNAIRE**

SCHEDULE 3

MARKET STEWARDSHIP PRINCIPLES

Introduction

The Market Stewardship Principles cover five key principles that must underpin the Contractor's provision of the Services and its engagement with all entities to which it subcontracts the provision of the Services.

Each of the principles is set out in this Schedule together with guidance as to how the Contractor should respond to its obligations against each of the principles.

1. Adherence to appropriate management of risk in the supply chain

All contractual and other risk should be appropriately managed. This should extend to not passing risk down supply chains disproportionately, the management of volume fluctuations and other events and the management of intellectual property rights.

- (a) **Meaningful volume of work allocation.** The Contractor should be able to evidence its approach in allocating work to supply chain partners in a manner which meets its obligations under this Agreement. Where a supplier is specified in the Services Delivery Proposals as a supply chain partner, the Contractor shall refer meaningful volumes of work to that supplier. These volumes should be set out in the Services Delivery Proposal.

The Contractor shall record details of all issues arising out of complaints from suppliers that they have not received expected volumes of work and shall refer these complaints to the Authority.

- (b) **Systems for allocation of work to the supplier.** The Contractor should have systems for allocation of specific work to the supplier where the delivery of the sentence of an Applicable Person is best served by calling on the particular expertise of the supplier. The allocations should ensure that the Applicable Person receives services from a supply chain organisation that has the correct level of expertise. Examples would include suppliers who have the skills and experience required to work with Applicable Persons with a range of different needs such as protected characteristics, female offenders, ethnic minority offenders, BAME, and offenders with learning difficulties or dyslexia etc.
- (c) **Volume Fluctuations.** The Contractor must demonstrate to the Authority's satisfaction how it manages any volume fluctuations in offender referrals and the reallocation of caseload to the supply chain. The potential impact of both increases and particularly reductions in work allocation and associated drop in income, and actions to mitigate these risks, must be set out in the Industry Standard Partnering Agreement.
- (d) **Spot purchase arrangements.** Spot purchase arrangements may be entirely appropriate but can be detrimental to supply chain partners as opposed to more standard contracts that guarantee an income. Suppliers generally, but also in seeking funding or additional business, may be disadvantaged in only being able to reference spot purchase contracts. The Contractor should therefore ensure that wherever 'spot purchase' arrangements are utilised, options to transition to more stable contractual referral systems are reviewed at regular periods.
- (e) **Payment terms.** The Contractor should detail a full exploration of payment terms and the impact of these on the supply chain including the requirement for any clawback/ repayment if targets are not met. The implications of this should be worked through for each year of the Industry Standard Partnering Agreement.

- (f) **Minimum contract term.** Consideration should be given to the needs of the supplier in relation to the contract term. The contract length, if inadequate, may damage the ability of the supplier in seeking new business or additional funding from elsewhere. Supporting statements around expected minimum term of contracts may be helpful for Tier II and Tier III organisations to avoid this. A minimum three year term should be appropriate for most supply chain partnerships.
- (g) **Intellectual Property Rights (IPR).** The Contractor should set out in the Industry Standard Partnering Agreement an approach for the handling of intellectual property rights to be established as part of the supply chain selection process.

2. Alignment of ethos in the supply chain

The Authority envisages that a sustainable relationship is fostered throughout the contractual period, which meets the expectations of both parties according to the position established at contract inception. In entering into a contractual agreement, there should be an understanding of what is important to both parties and this should go on to form part of the contractual agreement which will be reviewed throughout the contract term to ensure that expectations are being met. The Authority's market engagement has reinforced that this is an important expectation for many organisations and key to building trust, especially in the early stages of such business relationships.

- (a) **Audit trail.** The Contractor must maintain an audit trail of engagement with suppliers that demonstrates compliance with the principles established at the outset of their working relationship and shall include any additional support the Contractor offers.
- (b) **Support declared in the bid to supply chain organisations.** The Contractor must publish a statement with regard to the support that is being offered by the Contractor to suppliers. Each support element must be itemised.
- (c) **Referrals of Applicable Persons to non-contracted partners.** The Contractor may wish to refer Applicable Persons to organisations in its Contract Package Area who already deliver support services relevant to rehabilitation. The Contractor must not exploit the services delivered by these organisations, particularly those who do not enter into a formal contractual or grant funding arrangement with the Contractor. The Authority will require the Contractor to articulate how it is supporting and sustaining all organisations that the Contractor intends to refer a significant volume of Applicable Persons. In this context, 'significant' should be interpreted in proportion to the size of the organisation rather than the Contractor's caseload.
- (d) **Meetings.** The Contractor must record details of the conduct of all meetings with members of its supply chain and review these records to ensure that they are timely and appropriate and reinforce good relationship management.

3. Visibility across the supply chain:

The Authority expects that all parties have visibility of participation within the supply chain. This should include payment terms against contractual targets, the volume of business handled by supply chain partners, fair apportionment of referrals with regard to easier cases, and how the supply chain adjusts to changing volumes or demographics within the Contractor's Contract Package Area.

Supply chain sourcing, selection and refresh process. The Contractor must ensure that the sourcing, selection and refresh process for supply chain partners is transparent. This information must be made freely available to both the Authority and each potential supplier on request.

4. Reward and recognition of good performance

The Authority considers it important that organisations in the supply chain receive appropriate reward for good performance. Recognition of good performance should be shared across the chain and this should include the sharing of good practice. As industry forums are instigated, methods for sharing data other than through the data room will be developed.

5. Application of the principles of the Compact in work with Civil Society Organisations:

Evidence of compliance and other issues. The Authority has an expectation that the Contractor and its supply chain follow the principles of the Compact when engaging with Civil Society Organisations (as that term is defined in the Compact).

SCHEDULE 4
SERVICES

SCHEDULE 5
SERVICE LEVELS

SCHEDULE 6

CHARGES

1. *[Explanatory Note: Details of agreed charges to be set out here.]*

2. INVOICING

2.1 Subject to paragraph 2.3, the Contractor or the Subcontractor (as relevant) shall pay all invoices within 30 days after the date of receipt of the relevant invoice.

2.2 The Subcontractor shall ensure that each invoice includes or is accompanied by supporting information setting out all details which are necessary for the Contractor to verify the accuracy of the invoice.

2.3 If any part of the Charges is subject to a good faith Dispute between the Contractor and the Subcontractor:

(a) the disputing party (**Disputing Party**) shall notify the other party (**Issuing Party**), within [●] days after the date of receipt by the Disputing Party of the relevant invoice, of any disputed amounts and shall, as soon as reasonably practicable after it has notified the Issuing Party, describe in reasonable detail the Disputing Party's reasons for disputing each amount;

(b) the Issuing Party shall issue:

(i) a credit note for the original invoice; and

(ii) a new invoice for the undisputed amount;

(c) the Disputing Party shall pay the new invoice issued under paragraph 2.3(b)(ii) in accordance with 2.1; and

(d) the Contractor and the Subcontractor shall seek to reach settlement of the items that are the subject of the Dispute in accordance with the Dispute Resolution Procedure.

2.4 When any Dispute regarding the Charges is resolved:

(a) the Issuing Party shall issue an invoice (which shall be payable in accordance with paragraph 2.1) for the amount which it is agreed or determined to be payable by the Disputing Party (whether that sum is the amount originally invoiced or a reduced amount) within 30 days after the date of resolution of that Dispute; and

(b) if the Disputing Party has disputed an amount payable under an invoice and it is subsequently agreed or determined that the amount originally invoiced was correct, the Disputing Party shall pay to the Issuing Party interest on that amount accruing daily from (and including) the date that the Dispute is settled until (but excluding) the date of payment by the Disputing Party at the Interest Rate for the time being in force.

2.5 Subject to paragraph 2.4(b), where one party is owed any undisputed amount under this Agreement and that amount remains unpaid for more than 30 days after the due date, without limiting its other rights and remedies, that party may charge, and the other party shall pay, interest at the Interest Rate on that amount accruing daily from (and including) the due date to (but excluding) the date of actual payment.

SCHEDULE 7
CHANGE PROTOCOL

SCHEDULE 8
BUSINESS CONTINUITY

SCHEDULE 9
GOVERNANCE

SCHEDULE 10

AUDIT

[Explanatory Note: This Schedule will replicate the Audit provisions included in the Services Agreement at Schedule 15, as adapted.]

SCHEDULE 11

CONTRACTOR SUPPORT

[Explanatory Note: This will include the support which bidders have included as part of their response to the Invitation to Negotiate.]

SCHEDULE 12
INFORMATION ASSURANCE

SCHEDULE 13

EXIT PLAN

SCHEDULE 14
EMPLOYEE TRANSFERS

SCHEDULE 15
COMMERCIALLY SENSITIVE INFORMATION

SIGNATORIES

SIGNED by)
[])
for and on behalf of)
[CONTRACTOR)

SIGNED by)
[])
for and on behalf of)
[SUBCONTRACTOR])