

## ICT SERVICES AGREEMENT SCHEDULES

### SCHEDULE 8.1

### GOVERNANCE

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## Section A

### Product Description

#### 1. PRODUCT TITLE

ICT Services Agreement - Schedule 8.1 (Governance)

#### 2. PURPOSE OF PRODUCT

- Sets out the principles, procedures, roles and responsibilities for managing the Agreement and the relationship between the parties.
- Specifies the constitution and composition of the bodies that will manage the Agreement together with any individual roles.

#### 3. COMPOSITION

The schedule should specify the:

- Establishment of Programme and Project Boards;
- General Structure and Representation of the Programme and Project Boards;
- Role of the Programme and Project Boards; and
- The management processes to be implemented and followed in managing the Service.

#### 4. DERIVATION

Authority requirements

#### 5. RELATED CLAUSES AND SCHEDULES

Clauses: Section E (Contract Governance)

20 (Representatives)

21 (Governance)

24 (Audits) - (guidance paragraph above clause 24.1)

27 (Disputes)

43 (Confidentiality)

44.4 (Contractor's Obligations)

Schedules: 8.2 (Change Control Procedure)

8.3 (Dispute Resolution Procedure)

9.3 (Key Personnel)

Guidance: Guidance Note 2 (Payment, Affordability and Asset Ownership),  
paragraph - 3.9.4

## **6. ALLOCATION**

- Authority to produce draft and to submit to bidders for comment during dialogue phase.
- Final version to be issued with ITT.

## **7. QUALITY/REVIEW**

Authority expertise: project management, procurement.

## Section B

### Guidance

#### 1. INTRODUCTION

1.1 Governance is the overall process by which the Authority and the Contractor oversee and regulate their relationship. A governance schedule outlines the framework within which they should:

1.1.1 meet and report to discuss the progress of implementation projects and/or the performance and future direction of the Services, as appropriate; and

1.1.2 resolve any commercial, operational or technical issues that might arise as part of the project.

1.2 Section E of the Agreement sets out governance provisions. The detail of the processes and bodies involved should be set out in this schedule. *[Guidance: As elsewhere, this schedule is not drafted to deal with multi-party issues.]*

#### 2. POINTS TO CONSIDER

2.1 The type of governance provisions required, and the level of detail, will depend upon (amongst other factors):

2.1.1 the level of co-operation required between the Authority and the Contractor if the project is to be successful;

2.1.2 the term of the Agreement;

2.1.3 the financial size of the Agreement - the more that the Authority is paying for the project the more likely it is to require a close working relationship (or at least reporting lines) with the Contractor;

2.1.4 the business criticality of the services being provided; and

2.1.5 the degree to which the governance arrangements need to be compatible with existing Authority governance structures and processes.

### **3. TIMING FOR AGREEING THE DETAIL OF THE SCHEDULE**

For some projects the governance framework will be fully developed and set out when the Agreement is signed. An alternative approach is for the Agreement to specify a procedure under which formal rules can be established. These rules are then commonly embodied in a Service Code of Practice (SCOP) which details the operational and management processes by which the Services are delivered but, as a document, is non-contractual. However, it should be noted that an "agreement to agree" is not legally binding and that if a formal and robust arrangement is required, the former approach is recommended as best practice.

## Section C

### Pro-forma/Example Schedule

*[Guidance: subject to the agreement of this schedule, the following definitions will need to be added to schedule 1]*

|                           |  |
|---------------------------|--|
| <b>"Board Member"</b>     | the Authority and Contractor Board appointments set out in the Appendix to schedule 8.1 (Governance);  |
| <b>"Board(s)"</b>         | the Project Board and Programme Board;   |
| <b>"Project"</b>          | the project described in paragraph [ ] of the introduction to this Agreement on page [1] for the provision of [ <i>Guidance: describe project</i> ]; |
| <b>"Project Board"</b>    | the management board described in paragraph 2.3 of schedule 8.1 (Governance);  |
| <b>"Project Managers"</b> | the individuals appointed as such by the Authority and the Contractor in accordance with paragraph 2.2 of schedule 8.1 (Governance); and             |
| <b>"Project Plan"</b>     | the Implementation Plan, Test Plan, [ <i>Guidance: specify other high level plans</i> ];   |
| <b>"Programme Board"</b>  | the body described in paragraph 2.4 of schedule 8.1 (Governance);  |

#### 4. INTRODUCTION

4.1 This schedule describes the procedures that will be used to manage the relationship between the Authority and the Contractor under the Agreement.

#### 5. ESTABLISHMENT OF THE BOARDS

5.1 Boards shall be established by the Authority under this Agreement on which both the Contractor and the Authority shall be represented.

- 5.2 The Contractor and the Authority shall each appoint a Project Manager.
- 5.3 The Project will be managed at the day to day level through the Contractor Project Manager and the Authority Project Manager, in accordance with the Project Plan.
- 5.4 The Project Board will be responsible for the executive management of the Project as set out in this Agreement. The role and function of the Project Board is more particularly set out in paragraph 8 below.
- 5.5 The Programme Board will:
- 5.5.1 provide senior level guidance, leadership and strategy for the Project;
  - 5.5.2 be the point of escalation from the Project Board; and
  - 5.5.3 carry out the specific obligations attributed to it in this Agreement.
- 5.6 Both parties will ensure that appropriate resource is made available on a regular basis such that the aims, objectives and specific provisions of this Agreement can be fully realised.

## **6. BOARD STRUCTURE & REPRESENTATION**

- 6.1 The Appendix to this schedule describes in relation to each Board:
- 6.1.1 the Authority members of that Board;
  - 6.1.2 the Contractor members of that Board;
  - 6.1.3 the frequency that the Board shall meet (unless otherwise agreed between the parties);
  - 6.1.4 the location of the Board's meetings; and
  - 6.1.5 the planned start date by which the Board shall be established.
- 6.2 In the event that either party wishes to replace any Board Member position, that party shall notify the other in writing of the proposed change for agreement by the other party (such agreement not to be unreasonably withheld or delayed). Notwithstanding the foregoing it is intended that each Authority Board Member has at all times a counterpart Contractor Board Member of equivalent seniority and expertise.

- 6.3 Each party shall ensure that its Board Members shall make all reasonable efforts to attend Board meetings at which that Board Member's attendance is required. If any Board Member is not able to attend a Board meeting, that person shall use all reasonable endeavours to ensure that:
- 6.3.1 a delegate attends the relevant Board meeting in his/her place who (wherever possible) is properly briefed and prepared; and
  - 6.3.2 that he/she is debriefed by such delegate after the Board Meeting.
- 6.4 A chairperson shall be appointed by the Authority for the Programme Board and Project Board as identified in the Appendix in this schedule. The chairperson shall be responsible for:
- 6.4.1 scheduling Board meetings;
  - 6.4.2 setting the agenda for Board meetings and circulating to all attendees in advance of such meeting;
  - 6.4.3 chairing the Board meetings;
  - 6.4.4 monitoring the progress of any follow up tasks and activities agreed to be carried out following Board meetings;
  - 6.4.5 ensuring that minutes for Board meetings are recorded and disseminated electronically to the appropriate persons and to all Board meeting participants within seven Working Days after the Board meeting; and
  - 6.4.6 facilitating the process or procedure by which any decision agreed at any Board meeting is given effect in the appropriate manner.
- 6.5 Board meetings shall be quorate as long as at least [two] representatives from each party are present.
- 6.6 The parties shall ensure, as far as reasonably practicable, that all Boards shall as soon as reasonably practicable resolve the issues and achieve the objectives placed before them. Each party shall use endeavours to ensure that Board Members are empowered to make relevant decisions or have access to empowered individuals for decisions to be made to achieve this.



## **7. ROLE OF PROGRAMME BOARD**

7.1 The Programme Board shall:

- 7.1.1 ensure that this Agreement is operated throughout the Term in a manner which optimises the value for money and operational benefit derived by the Authority and the commercial benefit derived by the Contractor;
- 7.1.2 receive and review reports from the Project Board which summarise key aspects of the operation of the Services and review reports on technology, service and other developments that offer potential for improving the benefit either party is receiving, in particular value for money;
- 7.1.3 determine business strategy and provide guidance on policy matters which may impact on the implementation of the Services or on any Future Services or Additional Services;
- 7.1.4 authorise the commissioning and initiation of new business change projects and shall assess opportunities for Future Services and/or Additional Services;
- 7.1.5 consider and resolve Disputes (including Disputes as to the cause of a delay to the Project or the performance of the Services) escalated to the Programme Board; and
- 7.1.6 [recognise and promote participation in cross-governmental initiatives.]

## **8. ROLE OF THE PROJECT BOARD**

8.1 The Project Board shall:

- 8.1.1 be accountable to the Programme Board for comprehensive oversight of the Project and for the senior management of the operational relationship between the parties;
- 8.1.2 report to the Programme Board on significant issues requiring decision and resolution by the Programme Board and on progress against high level Project plans;

- 8.1.3 receive reports from the Project Managers on matters such as issues relating to delivery of existing Services and performance against Service Levels; progress against the Project Plan, possible future developments;
- 8.1.4 review and report to the Programme Board on service management, co-ordination of individual projects and any integration issues;
- 8.1.5 deal with the prioritisation of resources and the appointment of Project Managers on behalf of the parties;
- 8.1.6 consider and resolve Disputes (including Disputes as to the cause of a delay to the Project or the performance of the Services) in the first instance and if necessary escalate the Dispute to the Programme Board; and
- 8.1.7 develop operational/supplier relationship and develop and propose the relationship development strategy and ensure the implementation of the same.

## **9. CONTRACT MANAGEMENT MECHANISMS**

- 9.1 Both parties will pro-actively manage risks attributed to them under the terms of this Agreement.
- 9.2 The Contractor will develop, operate, maintain and amend, as agreed with the Authority, processes for:
  - 9.2.1 the identification and management of risks. The project risk register will be completed by the Contractor and submitted for review by both parties at the Project Board;
  - 9.2.2 the identification and management of issues;
  - 9.2.3 monitoring and controlling project plans;
  - 9.2.4 [benefit management;]
  - 9.2.5 [document control and management;]

## **10. ANNUAL REVIEW**

- 10.1 An annual review meeting shall be held, on a date to be agreed between the parties, throughout the Term.
  
- 10.2 The meetings will be attended by the [*Guidance: Insert title of appropriate person*] of the Contractor and the [*Guidance: Insert title of appropriate person*] of the Authority and any other persons considered by the Authority necessary for the review.

## APPENDIX

### Programme Board Representation and Structure

|   |                    |
|---|--------------------|
| Authority members for Programme Board   | [◆ ] [Chairperson] |
| Contractor members for Programme Board  |                    |
| Start date for Programme Board meetings |                    |
| Frequency of Programme Board meetings   |                    |
| Location of Programme Board meetings    |                    |

### Project Board Representation and Structure

|                                       |                    |
|---------------------------------------|--------------------|
| Authority Members for Project Board   | [◆ ] [Chairperson] |
| Contractor Members for Project Board  |                    |
| Start Date for Project Board meetings |                    |
| Frequency of Project Board meetings   |                    |
| Location of Project Board meetings    |                    |