Appendix A – Clause 10.3 of Customer and Support Group contract

1.1.1 Within forty (40) Business Days of the 3rd anniversary of the Service Transfer Date, the Authority shall conduct a full review of the Services and the performance of the Service Provider in fulfilling its obligations under this Agreement in order to identify any improvements or savings the Authority may wish to implement in respect of the Services (**Year 3 Outcome Review**).

1.1.2 If the Authority requires any changes to be implemented it will notify the Service Provider in writing, setting out the improvements to the Services or reduction to the Periodic Service Payment sought.

1.1.3 The Service Provider shall provide the Authority within fifteen (15) Business Days of receipt of such notice from the Authority (or as otherwise agreed between the parties in writing) an outline proposal setting out the Authority's options in order to achieve the improvements to the Services or alteration to the Periodic Service Payment required by the Authority and the estimated costs for each option (the **Year 3 Options Proposal**).

1.1.4 The Year 3 Options Proposal shall include:

(a) a comprehensive range of options which directly address the different aspects of the Services identified for improvement in the Year 3 Outcome Review; and

(b) in relation to each option, the reasonable professional opinion of the Service Provider as to the impact of such option on the provision of the Services and whether such option is feasible in the context of the Public Contracts Regulations 2006 (as updated);

1.1.5 No later than thirty (30) Business Days after the Authority receives the Year 3 Options Proposal, the Authority shall notify the Service Provider as to the Authority's preferred option and the Service Provider shall within twenty (20) Business Days (or such other longer period as agreed to between the parties) provide a detailed proposal for that option which shall include:

(a) all the information required as part of a Full Business Case submitted pursuant to Schedule 15 (Special Projects Approval Procedure) and the relevant provisions of Schedule 15 shall apply as if references to Special Project were to the Year 3 Detailed Proposal;

(b) the Change in Costs and Change in Revenue;

(c) any amendments required to this Agreement (including without limitation the Output Specifications), and

(d) any Consents or regulatory approvals that may be required (the **Year 3 Detailed Proposal**).

1.1.6 As soon as practicable after the Authority receives the Year 3 Detailed Proposal:

(a) the Service Provider shall provide the Authority with all additional information it requires in order to verify the Year 3 Detailed Proposal,

(b) the Authority shall advise the Service Provider whether it proposes that the Year 3 Detailed Proposal be addressed pursuant to the Change Protocol;

(c) whether the Authority elects to exercise any of its further rights under the Agreement; and/or

(d) the parties shall discuss and agree the issues set out in Year 3 Detailed Proposal.

1.1.7 After a Year 3 Detailed Proposal has been agreed or otherwise determined the Authority and the Service Provider shall promptly seek to agree how any consequential changes should be documented to ensure that they are legally binding on both parties (and in the absence of agreement the form of such documentation shall be determined in accordance with the Dispute Resolution Procedure) and thereafter the parties shall promptly sign or execute (as appropriate) such documentation (**Year 3 Implementation Plan**).

Within twenty (20) Business Days of the 4th anniversary of the Service Transfer Date, the Service Provider shall provide a report to the Authority detailing whether it has met the targets in the Year 3 Implementation Plan insofar as they were set for the preceding year and confirmation of whether ongoing targets have been met at each meeting of the Strategic Partnership Board or will be.