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**DSC SERVICE DOCUMENT**

**CONTRACT MANAGEMENT ARRANGEMENTS**

Version: [ ]

Effective date: [ ]

# General

## **Introduction**

### This Document is the Contract Management Arrangements referred to in Section GTD Paragraph [3.1.4(vi)] and Clause [3.3[/]] of the DSC Terms and Conditions and is a DSC Service Document.

### This Document is an integral part of and is incorporated in the DSC.

### The version of this Document which is in force, and the date from which it is in force, is as stated above.

## **Interpretation - general**

### In this Document:

#### **Uniform Network Code** or **UNC** means the Uniform Network Code [/];

#### a reference to Section GTD is to Section D of the General Terms of the Uniform Network Code;

#### **DSC Terms and Conditions** means the DSC Terms and Conditions as defined in and for the time being in force pursuant to Section GTD;

#### terms defined in the DSC Terms and Conditions and not otherwise defined in this Document have the meanings given to them in the DSC Terms and Conditions;

#### terms defined in any other DSC Service Document and not otherwise defined in this Document have the meanings given to them in that DSC Service Document;

#### the further provisions of the DSC Terms and Conditions as to interpretation apply.

### In the case of any conflict between the provisions of this Document and any other part of the DSC the provisions of the DSC Terms and Conditions as to priority apply.

## **Amendment**

### This Document may be amended in accordance with the Change Management Procedures*.*

## **Interpretation - specific**

### In this Document:

#### **Quality Documentation** means quality manuals, quality plans, quality procedures, inspections and test plans, work instructions or like documentation, as appropriate, which describe and define the Quality Management Systems;

#### **Quality Management Systems** means organisational structure, procedures, processes and resources for determining and implementing quality policy in the provision of Services;

#### references to the **Committee** are to the Contract Management Committee;

#### references to a dispute are to a dispute arising under or in connection with the DSC, and 'dispute' includes any claim, query or question;

#### in relation to a dispute, a reference to the Parties is to the CDSP and the Customer [or Customers] with which the dispute arises or exists (and a reference to a Party shall be construed accordingly).

### For the purposes of any reporting or other obligation of the CDSP under this Document which is expressed by reference to materiality:

#### an event, circumstance or other matter is **material** if:

##### it represents or results or may result in a non-trivial risk or cost to the CDSP or its performance of the DSC; or

##### it is otherwise reasonable to expect that the Committee would consider it relevant to its functions under this Document and wish to be informed of it; and

#### the Committee may provide and from time to time revise guidance to the CDSP as to what is to be considered material for these purposes.

## **Scope and purpose**

### The purpose of this Document is to set out:

#### operational requirements to be fulfilled by the CDSP in connection with the provision of Services and the performance of the DSC;

#### reporting and audit requirements for the CDSP;

#### the functions and procedures of the Contract Management Committee;

#### arrangements for individual Customer contract management under the DSC.

### This Document does not apply:

#### in respect of any record keeping, data management or reporting by the CDSP which is performed as a Service (as provided in the Service Description);

#### in respect of matters within the scope of the Change Management Procedures or the Credit Policy, except for the reporting requirements in paragraph [/];

#### [/];

#### [in respect of any matter arising under a [Third Party Services Contract], except where such matter is subject to the reporting and audit provisions in paragraph [3]].

### This Document is organised as follows:

[ ]

# Operational requirements

## **Quality Management**

### The CDSP shall procure that all aspects of the Services and the provision of the Services [and the performance of the CDSP's other operational obligations under the DSC] are subject to Quality Management Systems which:

#### comply with [ISO 9001:2008];

#### are designed to assure compliance with:

##### [*service levels in Service Description*]; and

##### the reporting and audit arrangements in paragraph 4.

### For the purposes of paragraph [2.1.1] the CDSP shall establish and comply with Quality Documentation and shall use its reasonable endeavours to procure that its subcontractors establish and comply with their own quality documentation.

### The Quality Management Systems and Quality Documentation are subject to audit in accordance with paragraph [/].

## **Performance monitoring**

[*To set out arrangements made by the CDSP for monitoring performance of Services against the performance indicators in the DSC Services Description.*]

## **Information Retention**

### The CDSP shall maintain complete and accurate records of, and supporting documentation for, the following transactions that result from or are created in the CDSP’s performance of its obligations under the DSC:

#### records of financial transactions in accordance with [generally accepted accounting principles applied on a consistent basis];

#### records of non-financial transactions in accordance with [generally accepted industry methods and procedures].

## **Business Continuity**

### The CDSP shall implement and maintain a plan (**Business Continuity Plan**) relating to its provision of the Services, covering the following events:

(a) loss or inability to gain access to the sites, facilities and water, gas, electricity or any other utilities;

(b) loss of essential computer systems, servers, applications and or telecommunications comprising [those parts of UK Link as defined in the UK Link Manual required to provide the Services]; and

 (c) loss of essential site supplies and/or service provisions (including resources).

### The CDSP shall review its Business Continuity Plan at least annually or as it deems necessary and update the Business Continuity Plan to reflect any changes in the business, the Services or any aspect of this DSC.

### The CDSP shall test the Business Continuity Plan annually to demonstrate its compliance and effectiveness.

### The Business Continuity Plan shall at a minimum include the following:

(a) identify critical priority processes;

(b) required access to systems and data; and

(c) defined roles and responsibilities of a recovery team and a recovery (‘buddy’) site.

### In the event of a business continuity incident, the CDSP shall ensure critical priority processes are maintained, albeit on a limited scale, until operations affected by the incident are restored and recovered; and in the case of loss of systems, the CDSP shall ensure arrangements are in place for the recovery of critical systems within specified timescales.

### Where necessary, the CDSP shall make appropriate communication to each Customer and other parties who may be affected by a business continuity incident of the CDSP.

# Reporting and audit

## **Monthly reporting**

### The CDSP shall, in relation to each month, send to the Committee no later than the [/]th day of the following month, a report (**Monthly Contract Management Report**) covering the following:

#### levels of performance of Services by reference to the [*performance indicators and levels*] in the DSC Services Description;

#### levels of performance of UK Link by reference to [*performance indicators and levels*] in the UK Link Manual;

#### [*information on Service volumes?*];

#### information in respect of Third Party Services specified in the Third Party Services Policy;

#### [any material instances of which the CDSP is aware of failure by the CDSP to comply with:

##### any of the operational requirements in paragraph 2 above;

##### any requirement in any other DSC Service Documents];

#### [*financial information as required in the Budget and Charging Methodology;*]

#### details (subject to paragraph 3.4) of any material failure by any Customer to comply with any obligation under the DSC [or to achieve any Customer performance standard or requirement in the DSC Services Description], where:

##### such failure represents or results in a material risk to the CDSP, the performance of the DSC or the interests of Customers (or Customers of any Customer Class) under the DSC; or

##### such failure has not been remedied and/or is continuing after the dispute escalation procedures in paragraph 5.3.1(a) to (d) have been exhausted or (if there is no dispute as to such failure) for a period of 3 months or more after the CDSP notified the Customer of the failure;

####  but excluding information which is to be provided to the Credit Committee under the Credit Policy;

#### a summary (subject to paragraph 3.4) of any new Individual Customer Disputes and of progress in resolving any existing such disputes;

#### a summary of the main items contained in the monthly Change Management Report provided to the Change Management Committee;

#### details of any event or circumstance (outside the scope of the Change Management Procedures) affecting the CDSP which is likely to result in the CDSP incurring additional costs of more than £[/] in a 12 month period and which was not specified or provided for in the [Business Plan/Budget];

####  [*project delivery?*];

#### [*what else*]

## **Ad-hoc reporting**

### If the Committee considers that it requires any further report or information from the CDSP in order to discharge its functions in connection with the management of the DSC, the Committee will discuss such requirement with the CDSP.

### Following such discussion the Committee may request any such further report or information from the CDSP and the CDSP shall provide the requested report or information unless it is not practicable or lawful for it to do so.

## **Confidentiality**

[*To set out principles – identity of particular Customer not to be disclosed by CDSP in reports and discussion with Committee, unless Customer has agreed, identity cannot be hidden (eg NGGT) or Customer default process has reached a point at which the identity is known* ]

## **Audit**

### The CDSP shall arrange for:

#### a statutory financial audit to be undertaken annually; and

#### a Quality Management System Assessment audit to be undertaken with such frequency as required to ensure compliance with [ISO 9001:[2016]];

### For the purposes of paragraph 3.4.1:

#### the CDSP shall appoint the auditor for each required audit;

#### the scope and terms of reference for each assurance audit shall be agreed by the Committee; and

#### the CDSP shall provide the Committee with a copy of each audit report submitted to it by an auditor within [ ] days following receipt by the CDSP of such report.

### [*To address an assurance audit (ISAE 3402)*]

###  [*Other ad-hoc audits*]

# Contract Management Committee

## **Role and functions of the Committee**

### The role of the Committee is to manage the DSC on behalf of Customers, except as to:

#### matters which are within the functions of the Change Management Committee or the Credit Committee;

#### matters within the scope of Individual Customer Contract Management as provided in paragraph [5].

### The functions of the Committee include:

#### [*list functions*]

### The Committee also has functions under the Budget and Charging Methodology.

### Subject to paragraph [4.1.5], the CDSP is authorised to act on (and incur Costs based on) the decisions of the Committee as provided in this Document (but without prejudice to the general authority of the CDSP to do whatever is necessary to perform the DSC).

### [*Link to budget – pending budget drafting – but broadly Committee not authorised to make decisions which would result in CDSP exceeding budget by more than [/]% without going through a budget amendment.*]

### The Committee shall not perform any of the functions of the Credit Committee or (unless requested by such committee) the Change Management Committee.

## **Meetings of the Committee**

### A regular meeting of the Committee shall be held every [month].

### The agenda of the regular meeting shall (unless the Committee otherwise decides) include the following:

#### [*list agenda*].

### The agenda of the regular meeting shall (unless the Committee otherwise decides) also include, at [*quarterly and annual intervals*]:

#### [*list additional less frequent items.*]

### The CDSP or any Committee Representative may put any other matter on the agenda of a regular meeting by notice to the [Secretary] in accordance with [GT Section D[/]].

### [*Committee may (after discussing with the CDSP) decide to alter frequency of regular meeting by Unanimous Decision in a Full Vote?*]

### The Committee may hold ad-hoc meetings in accordance with GT Section D[/].

## **Contract Management Representatives**

### The CDSP shall nominate (and may from time to time remove and replace) up to [three] representatives (**Contract Management Representatives**), of suitable seniority and qualification, to represent it at meetings of the Committee, and shall ensure that at least one of its Contract Management Representatives attends each such meeting (but any other representatives of the CDSP may also attend any meeting of the Committee).

### The Committee is entitled to assume that each of the CDSP's Contract Management Representatives is authorised to take any decision (on matters within the scope of this Document) on behalf of the CDSP unless such representative gives advance notice to the contrary.

## **Remedial action plans**

### This paragraph applies where there has been a material shortfall in levels of performance of Services (as provided in paragraph 3.1.1(a), or UK Link performance levels (as provided in paragraph [3.1.1(b)], [or material failure to comply with any requirement (as provided in paragraph 3.1.1(e),] [*or where any audit report contains a finding of a material failure on the part of the CDSP].*

### The CDSP shall prepare and (subject to the requirements of the Committee under paragraph 4.4.5) implement a remedial action plan covering:

#### the steps being taken and proposed by the CDSP to restore performance or remedy such failure;

#### available options and alternatives for such steps, including:

##### alternatives for prioritisation (but subject to paragraph [4.4.3]) as between remedying different shortfalls or failures, and

##### alternatives which are available at different levels of resource commitment or expenditure;

#### the estimated Costs of taking such steps or options and alternatives;

#### the timeframes in which (under different options or alternatives, where applicable) performance is to be restored or the failure remedied;

#### measures to avoid future occurrences of whatever caused the shortfall or failure.

### The remedial action plan shall be consistent with the remedial priority requirements set out in the Services Description.

### The CDSP shall include the remedial action plan (as then available) in the Monthly Contract Management Report, and provide an update and any further available information on the plan at the next eligible meeting of the Committee.

### The CDSP shall discuss the remedial action plan with the Committee at its next eligible meeting; and following such discussion:

#### if the Committee considers that the plan should be changed, having regard to the [DSC Objectives] and subject to paragraph [4.4.3], the Committee may require the CDSP to make changes to the plan including as to any choices or alternatives;

#### the CDSP will make such changes to the plan so far as they are practicable and lawful and would not put the CDSP in breach of the DSC.

### Until the remedial action plan has been completed and performance restored or the failure remedied, the CDSP shall provide a progress update on the remedial action plan in the Monthly Contract Management Report for each month and at each regular meeting of the Committee.

## **Committee guidance**

### The CDSP may invite the Committee to provide guidance on any question which arises in the operation of or the performance of the CDSP's obligations under the DSC (not being a question under paragraph [4.4]).

### The CDSP may act in accordance with any guidance provided by the Committee under paragraph [4.5.1].

## **Restricted Class Decisions**

[*Describe any decisions which may be taken by Committee Representatives of certain Customer Classes only.*]

## **Disputes with Committee**

### If a dispute or disagreement arises between the CDSP and the Committee, in the course of implementing the procedures in this Document:

#### the CDSP's Contract Management Representative(s) and the Committee shall attempt in good faith to resolve the matter promptly;

#### if, after discussion with the Contract Management Representatives, the Committee is of the view that the matter cannot be resolved at the level of the Contract Management Representatives, the Committee may require the CDSP to involve more senior personnel (up to and including the Chief Executive Officer of the CDSP) in the matter in dispute, and that such personnel shall meet with the Committee for that purpose

### If the matter is not resolved through discussions between the Committee and the Chief Executive Officer of the CDSP, then (without prejudice to the right of any Party to the DSC to commence proceedings in respect of a breach of the DSC) each of the CDSP and the Committee shall send a report in respect of the matter to each Party, the UNCC and the Authority.

# Individual Customer Contract Management

## **General**

### While the Committee has the function of managing the DSC on behalf of Customers (or Customer Classes) generally, it is also necessary to provide for the management of the DSC in respect of individual Customer matters (**Individual Customer Contract Management**).

### For the purposes of the DSC:

#### each Customer, and

#### in relation to each Customer, the CDSP

#### shall nominate (and may from time to time remove and replace) a representative (**Individual Contract Manager**), of suitable seniority and qualification, to represent it in Individual Customer Contract Management.

### The CDSP may nominate the same person as its Individual Contract Manager for more than one Customer.

### Each Customer and (in respect of each Customer) the CDSP is entitled to assume that the Individual Contract Manager nominated by (as the case may be) the CDSP or such Customer is authorised to take any decision (on matters within the scope of Individual Customer Contract Management) on behalf of such Party unless such Individual Contract Manager gives advance notice to the contrary.

## **Scope of Individual Customer Contract Management**

### Matters are within the scope ofIndividual Customer Contract Management include.

#### accession by the Customer to the DSC;

####  [*UK Link set-up*] arrangements for the Customer;

#### arrangements for the Customer to request or vary Services which are ['on-request'];

#### arrangements for invoicing and payment of [Service Charges];

#### Individual Customer Disputes;

#### [/].

### For the purposes of this Document, **Individual Customer Disputes** are the following disputes arising between the CDSP and a Customer, except to the extent excluded under paragraph [5.2.3]:

#### any dispute as to a failure by the Customer to comply with any provision of the DSC;

#### any dispute as to the calculation of the amounts payable by the Customer by way of [Charges];

#### any other dispute arising in connection with an [Invoice] sent to the Customer;

#### any dispute arising in respect of the performance of Agency Services for the Customer;

#### any dispute arising in respect of [*individual direct services*];

#### [*credit issues – subject to role of Credit Committee*];

#### any dispute as to breach by the CDSP of a provision of the DSC Terms and Conditions where the claimed breach directly affects the Customer;

#### [*others?*]

### The following matters are not within the scope of Individual Customer Contract Management and (where applicable) are not Individual Customer Disputes:

#### a dispute as to the performance of any Direct Service which is not an [*individual service*];

#### a dispute as to the determination of [Service Charges] or the derivation of the [Charging Statement] pursuant to the Budget and Charging Methodology;

#### a dispute as to compliance with or operation of:

##### the Change Control Document;

##### the Budget and Charging Methodology;

##### this Contract Management Document;

##### [*UK Link Manual?*]

#### any other matter which is a function of the Committee as set out in paragraph [/];

####  [/].

### Where a Customer considers that it has a dispute with the CDSP arising under the DSC in respect of a matter which is not an Individual Customer Dispute:

#### the Customer shall notify the Committee and request it to consider the dispute;

#### the Committee shall address the dispute with the CDSP at its next eligible meeting or (with the consent of the Customer) at any later meeting, and shall provide to the Customer a report on the outcome including any actions agreed with the CDSP;

#### the Committee shall not take any step within paragraph (d) until the Committee has provided a report under paragraph (b);

#### if the Customer is dissatisfied with the outcome (as set out in the Committee's report) the Customer may pursue the dispute by referring it for resolution under paragraph 5.3.2(c) (and the further provisions of paragraph 5.3 shall apply.

## **Individual Customer Dispute resolution**

### In this paragraph [5.3] references to a dispute are to:

#### an Individual Customer Dispute; and

#### where so provided in paragraph 5.2.4(d), any other dispute.

### Where a dispute arises between the CDSP and a Customer [or Customers]:

#### such Parties shall attempt in good faith to resolve the dispute promptly;

#### [unless another dispute or escalation procedure is specified in the DSC for such a dispute], the dispute shall be referred first to the Parties' Contract Managers, who shall attempt to resolve the dispute in a manner satisfactory to all Parties to the dispute;

#### if the dispute cannot be resolved by the Contract Managers within a maximum of [ten (10) Business Days] (or such longer period agreed between them) from the date on which it is referred under paragraph (b), the dispute [shall] be referred for resolution to the [Director, Customer Engagement of the CDSP and an equivalent level of authority of the Customer];

#### if the dispute cannot be resolved by the [Director, Customer Engagement of the CDSP and an equiavalent level of authority of the Customer] within a maximum of [ten (10) Business Days] (or such longer period agreed between them) from the date on which it is referred under paragraph (c), it shall be referred for resolution to the [Chief Executive Officer of the CDSP and the managing directors of the relevant Customers];

#### if the dispute cannot be resolved by [Chief Executive Officer of the CDSP and the managing directors of the relevant Customers] within a maximum of [ten (10) Business Days] (or such longer period agreed between them) after it has been referred under paragraph (d), paragraphs [5.3.3 and [/]] shall apply.

### If dispute is of a technical nature or relates to the calculation of the Charges or other payments, it may be referred with the agreement of the Parties for determination by an Expert in accordance with Clause [/].

### If any Party does not agree to the dispute being referred for determination in accordance with paragraph [5.3.3], or if the dispute is not of a technical nature, the Parties may enter into structured negotiations with the assistance of a mutual adviser appointed by the Centre for Dispute Resolution and the programme and structure for any negotiations shall be agreed between the Parties.

### If the Parties fail to settle the dispute within [fourteen (14) days] after appointment of the mutual adviser, or if any Party does not agree to enter into structured negotiations, any Party may commence proceedings in respect of the dispute in accordance with Clause [/].

### The Parties shall fulfil their respective obligations under the DSC insofar as is possible regardless of any outstanding dispute regarding the Services (without prejudice to the rights and obligations of any Party).

### Each Party shall bear its own legal costs in connection with any dispute (subject to any award of costs made in proceedings under Clause [/] of the Terms and Conditions, and without prejudice to the treatment of such costs incurred by the CDSP pursuant to the [Budget and Charging Methodology]).