

European Commission

Call for Tenders TAXUD/2013/AO-03

Intra muros consultancy services for European Union IT systems and applications in the customs, excise and taxation areas

(TIMEA2)

Service Level Agreement

TABLE OF CONTENTS

1. INTRODUCTION 3

 1.1. Purpose 3

 1.2. Document overview..... 3

 1.3. Scope and objectives 3

 1.4. Definitions and acronyms..... 3

 1.5. Applicable documents 4

 1.6. Reference documents..... 4

2. GENERAL CONDITIONS FOR THE PROVISION OF SERVICES 5

 2.1. Service coverage..... 5

 2.2. Validity and review process 5

 2.3. Service reporting 5

3. SERVICE MANAGEMENT 6

 3.1. Definition..... 6

 3.2. Specific Quality Indicators and Global Quality Indicator..... 6

 3.3. Service performance levels..... 7

 3.4. Service level reports 9

 3.5. Risk and problem management 9

 3.6. Liquidated damages (see also Article I.11.3 of the Framework Contract)..... 10

4. TIME & MEANS SERVICE 11

 4.1 Service definition..... 11

 4.2 Service quality indicators 11

 4.3 Service performance values..... 11

 4.4 Service level reports 12

 4.5 Risk and problem management 13

 4.6 Specific Liquidated damages (see also Article I.10 of the Framework Contract)..... 13

Service Level Agreement

TIMEA2

1. INTRODUCTION

1.1. Purpose

The Service Level Agreement defines the mechanisms used for the management of the framework contract and the specific contracts based upon it. In addition, it gives the service level metrics and quality parameters related to the service.

1.2. Document overview

The present Service Level Agreement (SLA) lays down a minimum guaranteed service level.

It includes the service definition, coverage, organisation, management and the service level requirements.

1.3. Scope and objectives

The general scope of this document is to define details and parameters associated with the provision and delivery of services for the TIMEA2 contract.

1.4. Definitions and acronyms

CM	Framework Contract Management
DG	A Directorate General of the European Commission
DP	Delivery Process
GQI	Global Quality Indicator
IT	Information technology
OP	Ordering Process
QoS	Quality of Service
SC	Specific Contract
SLA	Service Level Agreement
SM	Service Management
SQI	Specific Quality Indicator

TAXUD Directorate General Taxation and Customs Union

TM Time & Means

Specific quality indicators are used for the measurement of the quality of service.

The target levels give the acceptable values for the specific quality indicators.

The ordering process covers the period from the sending of the request to the signature of a specific contract.

The delivery process covers the time from the signature of a specific contract to the acceptance of the deliveries.

1.5. Applicable documents

Tendering Specifications for the call for tenders TAXUD/2013/AO-03

TIMEA2 Terms of Reference

Framework contract

1.6. Reference documents

Contractor's tender in reply to the call for tenders TAXUD/2013/AO-03 —
TIMEA2

2. GENERAL CONDITIONS FOR THE PROVISION OF SERVICES

2.1. Service coverage

The contractor will provide consultancy services (*Time and Means*) to the Commission.

Services are performed according to the terms specified in the framework contract.

2.2. Validity and review process

The SLA will be part of the framework contract. It will be applicable from the signature of the framework contract to its end and until the end of all specific contracts signed under that framework contract.

During the life of the framework contract, the Commission may propose changes in the service level agreement. These changes cannot be in contradiction with the contract itself. Their purpose is to clarify or assist in the implementation of the contract. They will need the agreement of the contractor. After approval, a new version will be signed by both parties and incorporated into the framework contract by way of an amendment.

2.3. Service reporting

The contractor must submit reports to DG TAXUD according to the terms specified in the framework contract.

3. SERVICE MANAGEMENT

3.1. Definition

This chapter describes the general organisation of the services related to the management of the framework contract and the specific contracts.

It concerns:

- The ordering process (OP): procedures described in the Terms of Reference apply. The Commission initiates the process by sending a request form to the contractor. The contractor sends to the Commission the confirmation of receipt, CVs of suitable candidates and the offer.
- The delivery process (DP): execution of the specific contracts and delivery of the work ordered. If the offer is accepted by the Commission, a specific contract is signed. After the signature of a specific contract, the delivery of the service must conform to the terms of the contract.
- The framework contract management (CM): the management of the framework contract includes the supervision of conformity with the SLA and the service reporting.

3.2. Specific Quality Indicators and Global Quality Indicator

The following Specific Quality Indicators are defined:

Ordering process

- Conformance of the offer with the requirements
- Ratio of accepted offers
- Delays for signature of the specific contract

Delivery process

- Compliance with the starting date
- Conformity of the service delivered
- Official complaints from the Commission

Framework contract management

- Respect of deadlines for quarterly reports
- Conformity of deliverables

3.3. Service performance levels

The following table gives the measurements, targets, limit values and GQI weighting for the specific quality indicators and the related actions when an error occurs.

The period of measurement for each SQI is the past 12 months (or from the start of the framework contract for the first year).

Specific quality indicator	Measurement of the QoS (SQI_{xM})	Target	Limit	Weight
SM – OP				
SQI01. Conformance of the offer with the requirements	Number of offers in conformity / Number of offers submitted	95%	90%	15
SQI02. Ratio of accepted offers	Number of accepted offers / Number of offers submitted	90%	80%	10
SQI03. Delays for signature of the specific contract	Number of SC signed within 10 working days / Total number of SC	95%	90%	10
SM – DP				
SQI04. Compliance with the starting date	Number of SC compliant with the starting date / Total number of SC	95%	90%	15
SQI05. Conformity of the service delivered	Number of SC in conformity / Total number of SC	95%	90%	10
SQI06. Official complaints from the Commission	Number of SC without official complaints / Total number of SC	100%	95%	20
SM – CM				
SQI07. Respect of deadlines for quarterly reports	Number of reports sent within the deadlines / Total number of reports	100%	75%	10

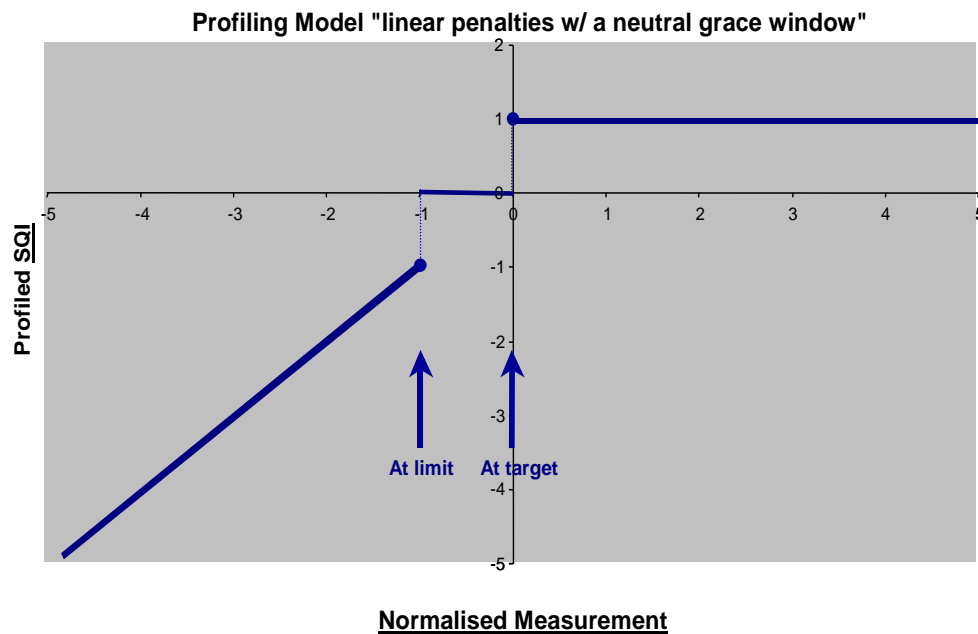
SQI08. Conformity of deliverables	Number of deliverables in conformity / Total number of deliverables	100%	90%	10
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Each SQI measurement (SQI_{XM}) is then normalised and profiled:

$$SQI_{XMNorm} = (SQI_{XM} - Target) / (Target - Limit)$$

$$SQI_{XMProf} = f(SQI_{XMNorm})$$

As part of the SQIs computation, the profiling function $f(SQI_{XMNorm})$ is defined as follows:



- If $SQI_{XMNorm} \geq 0 \rightarrow SQI_{XMProf} = f(SQI_{XMNorm}) = 1$ i.e. the QoS leads to a measurement above or on *Target*
- If $-1 < SQI_{XMNorm} < 0 \rightarrow SQI_{XMProf} = f(SQI_{XMNorm}) = 0$ i.e. the QoS leads to a measurement between *Target* and *Limit* – neutral grace window
- If $SQI_{XMNorm} = -1 \rightarrow SQI_{XMProf} = f(SQI_{XMNorm}) = -1$ i.e. the QoS leads to a measurement on *Limit*
- If $SQI_{XMNorm} < -1 \rightarrow SQI_{XMProf} = f(SQI_{XMNorm}) = SQI_{XMNorm}$ i.e. the QoS leads to a measurement below the *Limit*

SQI_{XMProf} is the final SQIX value, which can be weighted for computation of GQI.

The global quality indicator is the weighted average of all specific quality indicators
 $GQI = (\text{SUM}(SQI \times \text{weight}) / \text{SUM}(\text{weight}))$.

3.4. Service level reports

In the quarterly report, the contractor gives the details of the calculation of the specific and global quality indicators, their values for the quarter and for the last 12-month period (or from start of the framework contract for the first year).

For each error (non-compliance with a requirement) the report includes the reference to the request or specific contract, the relevant dates, the reference of the quality indicator, an explanation of the error and the implemented or proposed solution.

3.5. Risk and problem management

When he identifies a technical risk, the contractor must report it to the Head of TAXUD Unit R4. If it is a financial or contractual risk/problem, the contractor must report it to the Head of TAXUD Unit R1.

Examples of risks are:

- Lack of contractor's staff resources for the execution of the contract
- Lack of correct organisational setup for the execution of the contract.
- Lack of security
- Lack of knowledge or experience in specific domains
- Contractual problems with partners or subcontractors
- Change in the ownership or business activities of the contractor

For each risk identified, the contractor must inform the Commission of the strategy, actions or contingency plan he will put into place.

If a service management problem occurs the contractor must report to the Commission about the measures he will put into place to solve the problem (including the delays). The Commission will monitor the progress made by the contractor.

Non-respect of service performance limit values of specific quality indicators will be treated as problems monitored by the Commission with the contractor.

3.6. Liquidated damages (see also Article I.11.3 of the Framework Contract)

Liquidated damages may apply in the following conditions:

- The period of measurement is the past 12 months (or from the start of the framework contract for the first year).
- The minimum number of specific contracts active during the period of measurement must be 3.

If the GQI value is lower than zero during two consecutive quarters, the Commission can apply liquidated damages according to the following table:

GQI value	Liquidated damages based on the total value of active specific contracts during the period of measurement
≥ 0	0
< 0 and > -1	$20\% * \text{abs}(\text{GQI})$
≤ -1	20%

Where $\text{abs}(\text{GQI})$ means absolute-value of GQI.

According to this table:

- There are no liquidated damages when GQI is positive, indicating overall positive QoS;
- There are linearly proportional liquidated damages when GQI is negative;
- The maximum liquidated damage that can be applied is 20% when GQI gets below or equal to -1, indicating that the overall QoS is very negative.

If the Commission decides to apply liquidated damages, this will be done by way of a recovery order issued to the Contractor to pay the sums due.

4 TIME & MEANS SERVICE

4.1 Service definition

Time & Means service corresponds to the order and the delivery of a number of days to be performed by the contractor’s staff at the Commission’s premises. The contractor’s staff is chosen by the Commission in conformity with the ordering procedure specified in the service requirements.

4.2 Service quality indicators

The following Quality Indicators are defined for Time & Means service:

Ordering process (OP)

- CV complete and accurate
- Conformity of CV with the profile and the request
- Availability for interview

Delivery process (DP)

- Respect of starting date
- Effective presence of contractor's staff during the implementation
- Correct level of expertise in relation with the request
- Respect of replacement procedure (at least 2 correct CVs)
- Respect of the take-over period

4.3 Service performance values

The following table gives the measurements and limit values for the quality indicators and the related actions when an error occurs.

The period of measurement for each SQI is the past 12 months (or from start of the framework contract for the first year).

Quality indicator	Quality indicator measurement	Minimum acceptable value	Immediate action if error
TM – OP			
TM-1. CV complete and up-to-date	Number of complete and up-to-date CVs / Total number of CVs received	99%	The candidate can be discarded for the request.
TM-2. Conformity of the CV with the profile and	Number of CVs in conformity with the profile and the request /	99%	The candidate is discarded.

the request	Total number of CVs received		
TM-3. Availability of candidate for interview	Number of candidates available for interviews / Total number of interviews requested	90%	The candidate is discarded.
TM – DP			
TM-4. Respect of starting date	Number of starting dates respected / Total number of persons selected	90%	One day free of charge per week of delay
TM-5. Effective presence of contractor's staff during contract implementation	Number of days of presence / Total number of days for which the presence was requested by the DG	95%	One day free of charge by 5 days of unexpected absence to be applied for absences longer than 12 working days per year
TM-6. Correct level of expertise in relation with the request	Contractor's staff with sufficient expertise / total number of contractor's staff	95%	Replacement can be requested (with at least 10 days free of charge)
TM-7. Respect of replacement procedure (including 2 CVs in conformity with the initial request)	Number of correct replacement procedures / total number of replacements	95%	10 days free of charge if the replacement failed
TM-8. Respect of the take-over period	Number of replacements with effective take-over / Total number of replacements	90%	15 days free of charge instead of 10

4.4 Service level reports

In the quarterly report provided to the Commission, the contractor gives the details of the calculation of the quality indicators, their values for the quarter and for the last 12-month period (or from start of the framework contract for the first year).

For each error (non-conformity with a requirement) the report includes the reference to the request or specific contract, the relevant dates, the reference of the quality indicator, a copy of the information provided to the DG, an explanation of the error and details of the immediate action taken.

4.5 Risk and problem management

When he identifies a risk or a problem related to a specific request or contract, the contractor must report it to DG TAXUD. Examples are:

- Request not in conformity with the contract
- Request procedure not followed
- Non-availability of the person at the start of the specific contact.
- Planned absence during the execution of the contract
- Necessary replacement

For each risk or problem identified, the contractor must inform the Commission of the strategy, actions or contingency plan he will put into place.

The contractor must report to the Commission about the measures he proposes in order to limit the risk or solve the problem (including delays) in conformity with the contractual requirements. The Commission will monitor the progress made by the contractor.

Non-respect of service performance minimum acceptable values of service quality indicators will be treated as problems monitored by the Commission with the contractor.

4.6 Specific Liquidated damages (see also Article I.10 of the Framework Contract)

In addition to the immediate measures indicated in 4.3, if a serious fault occurs (e.g. candidate chosen on the basis of false information in the CV or serious misconduct of the contractor's staff) the Commission can impose a liquidated damage up to 100% of the days performed by the concerned contractor's staff on the framework contract.