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**Susan Frank**

Vice President and Chief Regulatory Officer  
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BY COURIER

December 22, 2014

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
Suite 2700, 2300 Yonge Street  
P.O. Box 2319  
Toronto, ON, M4P 1E4

Dear Ms. Walli:

**EB-2013-0416 Hydro One Networks' 2015 - 2019 Distribution Custom Rate Application – OEB Decision and Order – IRR 3.1, Schedule 9, SEC 22**

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In the above noted Decision and Order, the Ontario Energy Board, ruled that Hydro One must file the outsourcing RFP requested in Interrogatory 3.1, Schedule 9, SEC 22, once the RFP process is completed, removing any information that may compromise security.

With the successful completion of the RFP process, Hydro One is now able to comply with the Board's direction. Attached is a copy of the RFP. Given the size of the documents' attachments, Hydro One has not included paper copies of the attachments. It will however provide electronic versions for posting on the OEB web site and the entire document will also be posted on Hydro One's external web site.

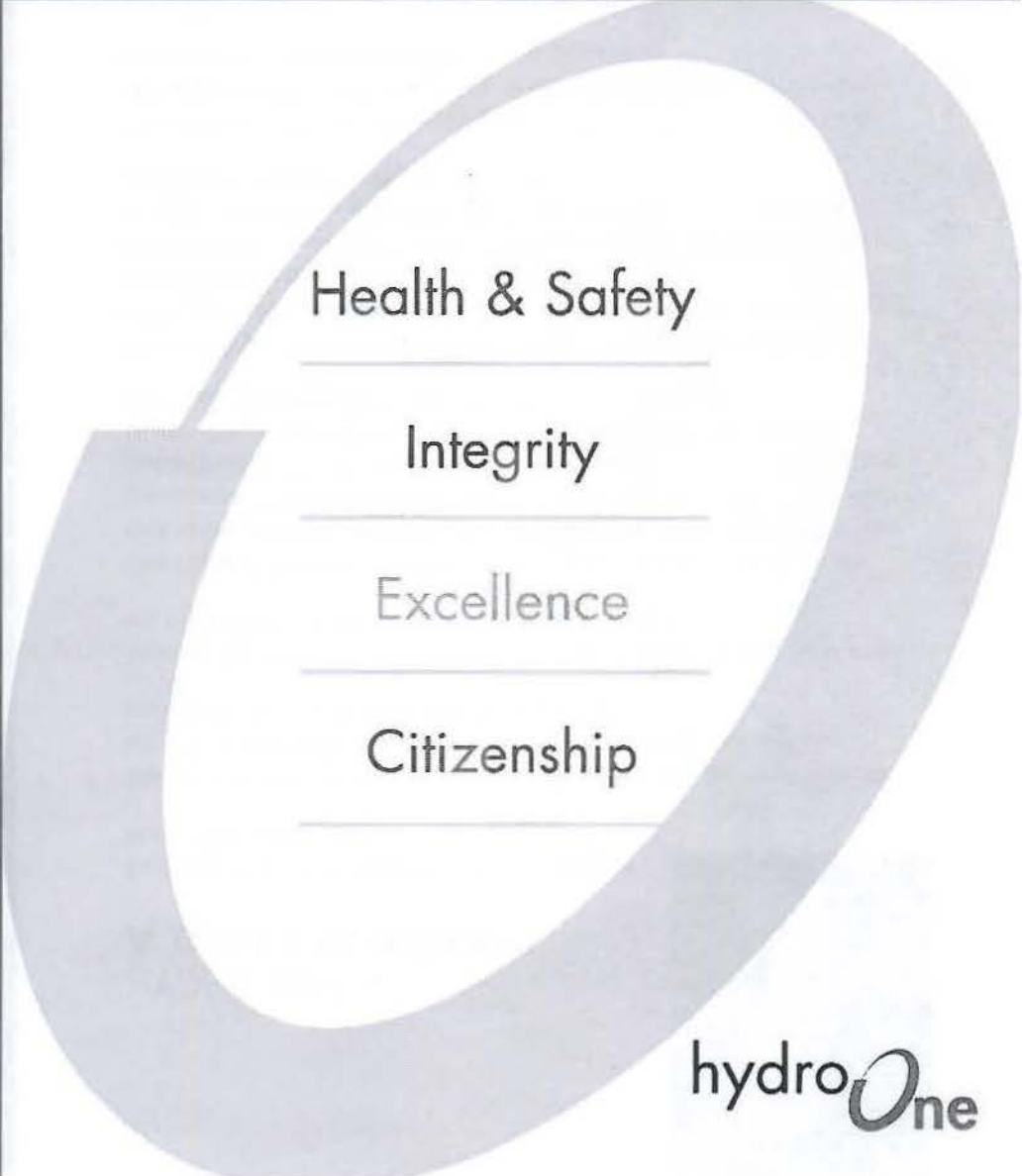
Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank

Attachment 1

## CODE OF **BUSINESS CONDUCT**



Health & Safety

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Integrity

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Excellence

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Citizenship

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## PURPOSE

The Code of Business Conduct ("Code") is part of Hydro One Inc.'s internal control framework. Its primary purposes are to aid in fostering and maintaining a culture of compliance and accountability, and to communicate and reinforce desired workplace values and behaviours to every part of Hydro One Inc., including its subsidiaries (collectively referred to as "Hydro One"), the directors of all Hydro One boards, and to the extent feasible, Hydro One's agents, consultants, contractors and business partners.

## REVISION

Information contained in the Code, last amended by the Hydro One Board of Directors on August 9, 2013, is now contained in this document.

## HYDRO ONE – A GREAT COMPANY



Each one of us must represent the very best of Hydro One every day.

We not only have to be the best in the business, but we must operate ethically and legally in order to maintain and build trust with our customers, our shareholder and our partners.

Meeting this standard means that each one of us every day must make the right decisions and pick the correct course of action.

Our Code of Business Conduct is built upon the principles of health and safety, integrity, excellence, and citizenship and helps Hydro One employees understand the types of situations to be aware of and identify good choices. The Code guides and governs all of our behaviour. Every Hydro One employee is accountable to comply not only with the words on the page, but also with the spirit of the Code.

Every day at Hydro One, each one of us, whether we are dealing with co-workers, vendors or customers must use our very best judgment. We believe in the strength and talents of our people here at Hydro One and strive to create an inclusive corporate culture. Because we set such a high standard for ourselves, the Code is the tool that we use as a checkpoint in our day to day dealings.

The people of Ontario not only count on Hydro One to deliver safe, reliable and affordable electricity, they rightfully expect our Company to maintain a high standard of ethical behaviour.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Carmine'.

Carmine Marcello  
President and CEO  
Hydro One Inc.



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## SCOPE

The Code applies to all employees at every level of Hydro One, including the chief executive officer, chief financial officer, principal accounting officer and persons performing similar functions. It also applies to the members of the Hydro One boards ("Directors"), and to the extent feasible, our agents, suppliers, consultants, contractors and business partners.

Hydro One expects all employees and Directors to conduct themselves in accordance with this Code and will hold them accountable for their conduct. If employees do not comply with this Code, they will be subject to disciplinary procedures, up to and including dismissal. Violations may also result in criminal and/or civil liability.

If there is a case where the Code does not provide the answer to a particular ethical issue, or if you have questions about our Code, talk to your supervisor or consult Hydro One's Code intranet site at **HydroNet - All Links - Policies, Procedures and Manuals - Code of Business Conduct**, which includes a section dedicated to answers to frequently asked questions. If your question remains unanswered, you should contact Hydro One's Corporate Ethics Officer.



## PRINCIPLES

**Health & Safety – Integrity – Excellence – Citizenship:** These principles are the foundation of Hydro One's Code and its corporate policies. Everyone who works at Hydro One Inc. or any of its subsidiaries follows these principles when conducting business.

For Hydro One to be successful, we must continue to earn the trust and confidence of our customers and stakeholders. Each business action and decision provides us with this opportunity. Our principles help to guide our actions and decisions because they remind us each day of who we are and strive to be in all of our business activities.

## Health & Safety

There is nothing more important than the health and safety of our employees and those who work for us. We are committed to relentlessly working towards a goal of zero injuries and illnesses. We believe:

- All injuries and work related illnesses can and must be prevented.
- Management is accountable for health and safety performance.
- Communication, engagement and training of all employees are essential elements in health and safety excellence.
- Everyone has a responsibility to prevent injuries and illnesses.
- All employees are accountable for working safely.
- Excellence in health and safety supports excellent business results.
- Health and safety must be integrated into all business management processes.



## Integrity

Conducting business with unfailing honesty is what integrity is all about. Integrity means that all employees at every level of the organization:

- Conduct business lawfully and ethically, establishing honest dealings in all relationships and expecting the same of those with whom we have business relationships;
- Comply with all applicable laws, statutes, regulations, contractual obligations and Hydro One policies and procedures;
- Avoid conflicts of interest between their personal interests and their role in the conduct of Hydro One business;
- Do not disclose confidential information inappropriately;
- Recognize the value of competition and do not engage in practices that seek to reduce the openness and fairness of competition. We do not prevent others from competing freely and fairly with us, except when constrained by law; and
- Protect Hydro One's assets and use them responsibly and for business purposes.





## Excellence

Hydro One is an efficient and dynamic transmission and distribution company that strives to be a leader in North America in the areas of safety, customer service and reliability. All Hydro One employees are stewards of Ontario's electricity delivery system and are responsible for ensuring that they work safely, efficiently and responsibly for the people of Ontario. Accordingly, Hydro One demands excellence from everyone at every level in the organization. We achieve excellence by:

- Performing our work safely;
- Providing our customers with reliable service;
- Continuing to improve performance;
- Focusing on our people and our culture;
- Upgrading our skills and developing the talents and abilities of others; and
- Fostering and maintaining respectful, trusting, and collaborative relationships with our colleagues.



## Citizenship

Our work at Hydro One touches the lives of millions of customers and people across Ontario. They depend on us and we have a responsibility to them. We show our commitment to them by:

- Conducting our business in a way that protects the health and safety of the public and our fellow employees;
- Conducting our business in an environmentally-responsible manner;
- Respecting and supporting the social and cultural fabric of the communities where we work, live, and serve; and
- Treating everyone with respect and dignity.



## STANDARDS OF BUSINESS CONDUCT

Work Environment

Conflicts of Interest

Protecting the Environment

Safeguarding Hydro One's Assets

Relationships



## WORK ENVIRONMENT

### Health and Safety

Health and safety are the keys to the success of Hydro One and are of paramount importance as reflected in our Health and Safety Policy. Healthy employees working safely are essential to achieving our corporate goals. We are all accountable for health and safety. Fulfilling our individual accountabilities is a vital and fundamental requirement of every employee's job. While management has the responsibility for managing safety and health, all employees must make safety the prime consideration in every decision made and every action taken. All employees will visibly support practices and programs that promote excellence.

Each of us has a personal responsibility to come to work fit for duty, to work safely and to identify, report, and where appropriate, correct workplace hazards. While at work, employees must not be under the influence or suffering the after effects of alcohol, medication, or illicit drugs, shall comply with Hydro One's Safety Rules, and shall not bring or permit anyone else to bring alcohol or any illicit drugs to any Hydro One workplace.

The delivery of products and services in a safe manner is essential to the success of the business. We are committed to minimizing the risk of injury to the public associated with our operations and the provision of services.

### Diversity

We value the background, experience, perspective, and talent of each individual. We strive to create a workforce that reflects the diverse populations of the communities in which we operate. We also aim to create an inclusive corporate culture where all employees are valued and have equal access to opportunities, within the confines of legal and collective agreement requirements.

We do not discriminate in hiring and employment practices on grounds prohibited by applicable law, which includes such grounds as race, ancestry, colour, place of origin, sex, ethnic origin, age, marital and family status, physical abilities, sexual orientation, creed, religion, or citizenship.

### Harassment

We treat employees and persons with whom we do business with dignity and respect. Hydro One does not tolerate harassment or discrimination.

Harassment is a form of discrimination which involves unwelcome and offensive comments, conduct, gestures or contact based on or related to prohibited grounds covered by human rights legislation. Harassment occurs when the behaviour concerned:

- is likely to be offensive, embarrassing or humiliating;
- might, on reasonable grounds, be perceived as placing a condition on employment, its terms or continued employment; and/or
- has the purpose or effect of interfering with an individual's work performance or creating an intimidating, threatening, hostile or offensive work environment.



Similarly, we do not tolerate any behaviours that may promote violence in the workplace. Workplace violence often begins with harassment. We have a duty to take preventive action by bringing forward information relating to emerging situations in the workplace that may result in violence. If you are involved in a workplace violence incident where there is an imminent danger to your safety or security call 911 or the local emergency number.

Employees with potential workplace harassment and/or discrimination complaints should refer to Hydro One's Workplace Human Rights and Anti-Harassment Policy and Procedure.

#### Work Performance

As employees, we are accountable for our work and for our results, and are committed to giving our full effort in everything we do. We expect to be evaluated by such standards as quality, quantity, timeliness, and whether the work has been completed safely and within the limits of allocated resources. We recognize that we must continue to seek new ways to be more effective and efficient. We expect our supervisors to follow leadership practices that promote an environment where high performance is encouraged. We expect our supervisors to set clear expectations and to provide appropriate support and timely feedback. We expect a work environment in which suggestions for improvement are welcomed and implemented where appropriate.

#### Developing our Potential

At Hydro One, we recognize that the capability and commitment of our people is our most valuable asset and is critical to our business success. Supervisors are expected to treat employees in a manner that encourages commitment and high performance. At the same time, supervisors are held accountable for maintaining and enhancing the capability of their unit. Although each of us is responsible for our own career planning and development, we understand that Hydro One will support our active pursuit of a jointly agreed and supported development plan. As a result, we can expect to increase our personal contribution and value as well as our collective capability within Hydro One.

## CONFLICTS OF INTEREST

### Avoiding Conflicts of Interest

We avoid any conflict of interest. A conflict of interest is any situation where our personal interest interferes in any way or even appears to interfere with the interests of Hydro One and the making of decisions with honesty and integrity. There are three broad guidelines for avoiding conflicts of interest:

- Any business decision for Hydro One is to be based on merit and made strictly in the best interests of Hydro One;
- No personal benefits, whether direct or indirect, are to be derived for ourselves, family members or friends as a result of reaching business decisions on behalf of Hydro One; and
- We are to avoid any situation that may – or even appear to – create a conflict of interest between our personal interests and those of Hydro One.

Areas of conflict of interest that may arise in the course of our day-to-day work are covered in other sections. We have an obligation to declare any conflict of interest or any potential or perceived conflict of interest to our supervisor or to the Corporate Ethics Officer.

### Outside Business Activities

While we all have a right to personal freedom outside working hours, certain outside business activities may constitute a conflict of interest.

We do not serve as directors of any organization that supplies goods or services to Hydro One, buys goods or services from Hydro One, or competes with Hydro One, without the approval of the Corporate Ethics Officer.

We may work for another organization, including one set up by ourselves, provided it is not a supplier, a commercial or industrial customer, or competitor of Hydro One, or does not affect our work performance at Hydro One. Where it is not clear whether external work interferes with our duty to Hydro One or affects our work performance at



Hydro One, it is the responsibility of the employee to seek the prior approval of the Corporate Ethics Officer.

We do not perform work for the other organization on Hydro One's time, nor do we use Hydro One equipment, supplies, personnel or intellectual property for the use of the other organization.

We do not promote any non-Hydro One product or service to others during working hours. Customers and colleagues from the outside activity may not contact us at Hydro One workplaces. We do not sell products or services from our outside work to Hydro One.

### Investments

Investment in a Hydro One competitor or supplier can create a potential conflict of interest. We, and our immediate family members – including common-law relationships – normally may not hold any ownership or financial interest in any organization that competes with any business activity of Hydro One or that sells goods and services to Hydro One where that interest may give rise to a potential or perceived conflict of interest. Exceptions to this general rule include where the interest of the employee or immediate family member:

- is exercised through a blind trust, or equivalent, such as a mutual fund; and
- consists of shares of a publicly traded corporation and the combined interest of the employee and all immediate family members represents less than five per cent of the issued shares.

Prior approval from the employee's supervisor and the Corporate Ethics Officer is required for any ownership or financial interest of an employee and the employee's immediate family members which does not comply with the above requirements, such approval only to be given on an exception basis. Even if the above requirements are met, an employee must disclose to their supervisor or the Corporate Ethics Officer any ownership or financial interest in any organization that competes with any business activity of Hydro One or that sells goods and services to Hydro One held by the employee and the employee's immediate family members which might reasonably be perceived to create a potential conflict of interest.

In addition, in order to avoid conflict of interest situations, when we are aware that a family member or a friend has more than five per cent ownership in a competitor or supplier of Hydro One, we must inform our supervisor, or the Corporate Ethics Officer, both of the ownership interest and of our relationship to the investor. It is the responsibility of management to ensure that the employee appreciates the potential conflict of interest that might arise from his/her relationship with the investor.

### Confidential Information

Confidential information includes, but is not limited to, any trade secrets or intellectual property and any proprietary, sensitive, technical, commercial, strategic, financial, customer and personal information about customers and employees that is not made available publicly. We are responsible for knowing what information must remain in confidence and for seeking clarification from our supervisor if in doubt.

We do not disclose confidential information – except as required by law – to anyone outside Hydro One, including family and friends, even after we have left Hydro One's employ. Within Hydro One, we do not disclose confidential information to colleagues other than is necessary to ensure that we can effectively perform our assigned work. We protect confidential information against theft, fraudulent use, loss, unauthorized access, or misuse (notably as it relates to how we collect, store and



retain confidential information on computer assets or mobile devices). We recognize that any unauthorized use of confidential information exposes Hydro One to legal, commercial and liability risks.

Personal information about employees must be managed and kept in a confidential manner respecting the privacy of the individual, and taking into account our obligations under any applicable legislation and our business practices.

### **Purchasing Decisions**

We protect Hydro One's reputation by refusing to make purchasing decisions based on favouritism, prejudice, preferential treatment or personal gain. We make them honestly and with integrity, using such criteria as competitive pricing, quality, quantity, delivery, and service. We refuse involvement in purchasing decisions that could lead to a conflict of interest, and we declare to our supervisor or to the Corporate Ethics Officer all conflicts or potential conflicts, seeking guidance from our supervisor or the Corporate Ethics Officer when we are uncertain.

We treat everyone we do business with courteously, respectfully, and in a professional manner.

We inform our agents, suppliers, consultants, contractors and business partners of our Code and our expectation that they abide by it, to the extent feasible. Non-compliance must be communicated to Hydro One's Corporate Ethics Officer who will recommend what actions should be taken. An example of an action would be to discuss our ethics with suppliers and make it known to them that their conduct is unacceptable. A relationship with a supplier should be ended if there is a lack of improvement, consistent with any contractual obligations.

### **Conducting Business Relationships – Gifts and Entertainment**

We do not (directly or indirectly) offer, give, solicit, or receive:

- any form of bribe or kickback;
- gifts of cash, gift certificates, services, discounts, or loans;
- any gift, entertainment, or similar type of benefit that does not serve a legitimate business purpose; or
- any gift, entertainment, or similar type of benefit that may compromise or appear to compromise their ability to make business decisions in the best interest of Hydro One.

The onus is on everyone to act with integrity, use good judgment and consider all implications before accepting or giving gifts, entertainment or similar favours. They should be of a nature and amount that avoids embarrassment, does not constitute a real personal enrichment of the recipient, and would not reflect unfavourably on Hydro One or the recipient, if subjected to public scrutiny. Generally speaking, acceptable gifts will have a nominal value.

Unacceptable gifts should be returned with thanks and clarification of our policy, or suitably distributed in the community. These requirements do not change during traditional gift-giving seasons.

### **Insider Trading and Personal Advantage**

We do not divulge confidential or proprietary information about Hydro One or its affiliates, and their customers and suppliers, to any unauthorized person, or release confidential information in advance of its authorized release. We do not use for private speculation or personal advantage, data or information that is not available to the general public.

## PROTECTING THE ENVIRONMENT

### The Environment

We will comply with all environmental laws and regulations and will move beyond compliance where it makes good business sense to do so. We will design, build and operate our facilities to make efficient use of resources, prevent pollution and reduce environmental effects to the extent that is reasonably achievable. We will set environmental objectives and targets, monitor our performance relative to expectations, and implement programs to achieve continual improvement.

Supervisors are expected to provide visible leadership and employees will identify, anticipate and report potential environmental effects, and are expected to know and comply with corporate policies, procedures and standards which incorporate legal requirements and generally accepted industry practices.



## SAFEGUARDING HYDRO ONE'S ASSETS

### Proper Use of Assets

We protect Hydro One's assets, use them properly, safely, efficiently, and only for Hydro One business. We comply with all corporate policies, standards and guidelines governing Hydro One's assets. We do not use Hydro One assets in a manner that compromises our business practices or offends, harasses, or promotes unacceptable behaviour.

We protect our assets from all external and internal threats including theft, fraud, destruction, vandalism, terrorism or neglect. We dispose of Hydro One property in an ethical and approved manner. Theft or fraud will not be tolerated.

Any use of Hydro One assets for a non-business reason (charitable work, for example) must be approved by the supervisor accountable for that asset.

### Critical Cyber Assets

The obligation to protect Hydro One's assets also includes the protection of our Critical Cyber Assets from cyber-attack. Critical Cyber Assets are all assets (physical and information) essential to the reliable operation of Hydro One's facilities, systems and equipment, which if compromised, would affect the reliability of the interconnected transmission system.



across North America. Employees must be vigilant in protecting these assets and must follow Hydro One's Power System Cyber Security Policy.

### **Records and Document Retention**

Records are important information assets and a resource of great value to Hydro One because they provide evidence of Hydro One's business activities, decisions, operations, and internal and external transactions and activities. As such, we are committed to ensuring the effective and responsible management of all Hydro One records. Employees are responsible for managing Hydro One records in accordance with Hydro One's Records Management Program which includes the following policies and procedures: Records Management Policy, Records Management Procedures, Email Management Policy, and the Legal and Tax Holds Policy.

### **Intellectual Property**

Intellectual property is a legal concept which recognizes ownership in creations of the mind (e.g. inventions, designs, drawings, academic papers, etc.). Common types of intellectual property rights encountered at Hydro One include copyright and patents. All intellectual property conceived or made during or after working hours in the course of employment with Hydro One or which is derived from Hydro One knowhow is the exclusive property of Hydro One and is a valuable corporate asset. Employees must disclose to Hydro One all such intellectual property and every employee assigns to Hydro One all rights in such intellectual property.

### **Accounting and Finance**

Hydro One will conduct its financial affairs only for lawful and proper purposes in accordance with approved authorities, and properly record resulting transactions. Employees shall not mislead, manipulate, coerce or fraudulently influence any accountant. No undisclosed funds or accounts may be established. All cash and bank account and other business transactions are handled in a manner that avoids any questions of bribery, kickbacks, money laundering or other illegal or improper payments or any suspicion of impropriety whatsoever. Employees have a responsibility to report concerns about the integrity of financial reporting and have an obligation to report concerns to Hydro One's

Corporate Ethics Officer. Alternatively, if an employee is uncomfortable doing so directly, Hydro One has selected ClearView Strategic Partners Inc. ("ClearView") to provide a secure third-party reporting system ("ClearView Connects™") that allows employees to anonymously report concerns regarding accounting, internal accounting controls, or auditing matters.

ClearView can be reached by calling 1-866-921-4491, by accessing their website at [www.clearviewconnects.com](http://www.clearviewconnects.com) or by mailing an anonymous report to ClearView, P.O. Box 11017, Toronto, Ontario, M1E 1N0 (for P.O. Box reports, please ensure you identify the organization as Hydro One). Choosing to include personal information in a report to ClearView means you have consented to the collection of that personal information by Hydro One which will be sent to Hydro One. There will be no reprisal against an employee for making a report in good faith.

### **Business Reporting**

All Hydro One financial reports, accounting records, research reports, sales reports, expense accounts, time sheets, and other documents must accurately and clearly represent the relevant facts or true nature of a transaction. Financial transactions and performance will be disclosed in accordance with applicable law. Employees should consult Hydro One's Employee Business Expense Policy to ensure that all business expenses are properly incurred, reported and approved.

### **Managing Risk**

We will appropriately identify and control Hydro One's risks, within the limits of our accountabilities and allocated resources. This does not mean eliminating all risks, but rather it means mitigating the risks to acceptable levels for Hydro One. Risk is defined as any possible event that may adversely impact Hydro One's business objectives. We will understand the business objectives relevant to our work, and ask our supervisors for help or information on objectives where these are not understood. If, in our opinion, there are situations where risks are not being appropriately controlled, either by other Hydro One employees or by contract employees, we will discuss the situation with our supervisors and, if not resolved, we will consult the Corporate Ethics Officer for direction.



### Using email, the Internet and other Electronic Communication Devices

While limited and reasonable personal use is permitted with your supervisor's prior approval, access to electronic communication devices such as phones, email and the Internet is made available to promote effective work-related research, improve our development and enhance corporate-wide communication. Since the Internet is an "open" environment and accessible to numerous users, care must be taken to protect and treat as confidential all corporate information, including customer or any other information of a commercially sensitive nature which is not publicly available.

When using email or the Internet we will not download programs not already supported by Hydro One, access sites carrying socially or politically offensive material, access sites in any way related to terrorism, send chain letters, send threatening, libelous or harassing messages or send, view or obtain pornographic material. We will not use the Internet to play games, gamble, post or send messages under disguised identification or send confidential information unless effectively protected (i.e. using encryption).

Hydro One's computers and computer systems and the contents thereof are monitored to support operational, maintenance, auditing, security, and investigative activities. In order to prevent inappropriate use, Hydro One continues to monitor personal use electronic communications and employees may or may not be made aware of such monitoring. Employees should not assume that their electronic communications, information, and computer use are private.

When using social networking tools and platforms such as Facebook, LinkedIn, Yahoo! Groups, Twitter, YouTube, and blogs, employees are reminded that the Code and all applicable Hydro One policies govern their communications. Whether on duty or off duty, employees must not:

- post or disclose confidential Hydro One information; or
- post comments or materials which could harm, or be perceived to harm, Hydro One in any way.



## RELATIONSHIPS

### Relationships with Investors

We will disclose material information to the public in a timely, factual and accurate manner, in accordance with our Corporate Disclosure Policy. We will ensure that all reports and documents that we file with or furnish to securities regulatory authorities in Canada and the United States, and our other public communications, contain disclosure that is full, fair, accurate, timely and understandable.

### Relationships with Customers

In all aspects of doing business with customers, we strive to build a strong and mutually valued relationship. We demonstrate that Hydro One is a customer-focused company in every transaction. We strive to give our customers high value, reliable products and services. We seek customers' views on issues affecting them, consider their views, and give them feedback where possible. Customers are given the information they need to make informed choices and they receive truthful information about our products and services. Their safety and health is protected. We respect our customers' privacy and diversity. In all interactions with customers, every employee shall act as an ambassador of Hydro One thereby treating customers courteously, respectfully, and in a professional manner.



### Fair Competition

We obey the laws governing competition, not conspiring with anyone to lessen fair competition. We do not engage in anti-competitive practices or illegal activities such as price-fixing, bid-rigging, and kickbacks. We ensure all procurement policies, procedures and required processes are followed.

We gather information about competitors in a lawful manner. We do not, directly or indirectly, misrepresent ourselves, use a third party, or offer bribes or gifts to solicit proprietary information about competitors.

### Relationships with Non-Profit and Professional Organizations

We have a civic responsibility to contribute to our communities and to our professional organizations, provided our participation does not interfere with our duty to Hydro One. We only perform services on Hydro One time and/or use Hydro One assets for an organization when we have prior approval from our supervisor and/or the supervisor accountable for the asset. If we act as a spokesperson for an organization, we make it clear we are speaking for that organization or for ourselves, and not acting as a spokesperson or representative of Hydro One.



### Political Participation

As private citizens, we take part in the democratic process at any level, including campaigning in elections, during non-working hours. Prior approval is required if we need a leave of absence to participate, and our participation must be kept strictly separate from our association with Hydro One. All such leaves of absence will be without pay. Hydro One will not make donations (financial or otherwise) to political parties, elected representatives, or candidates for election at any time.

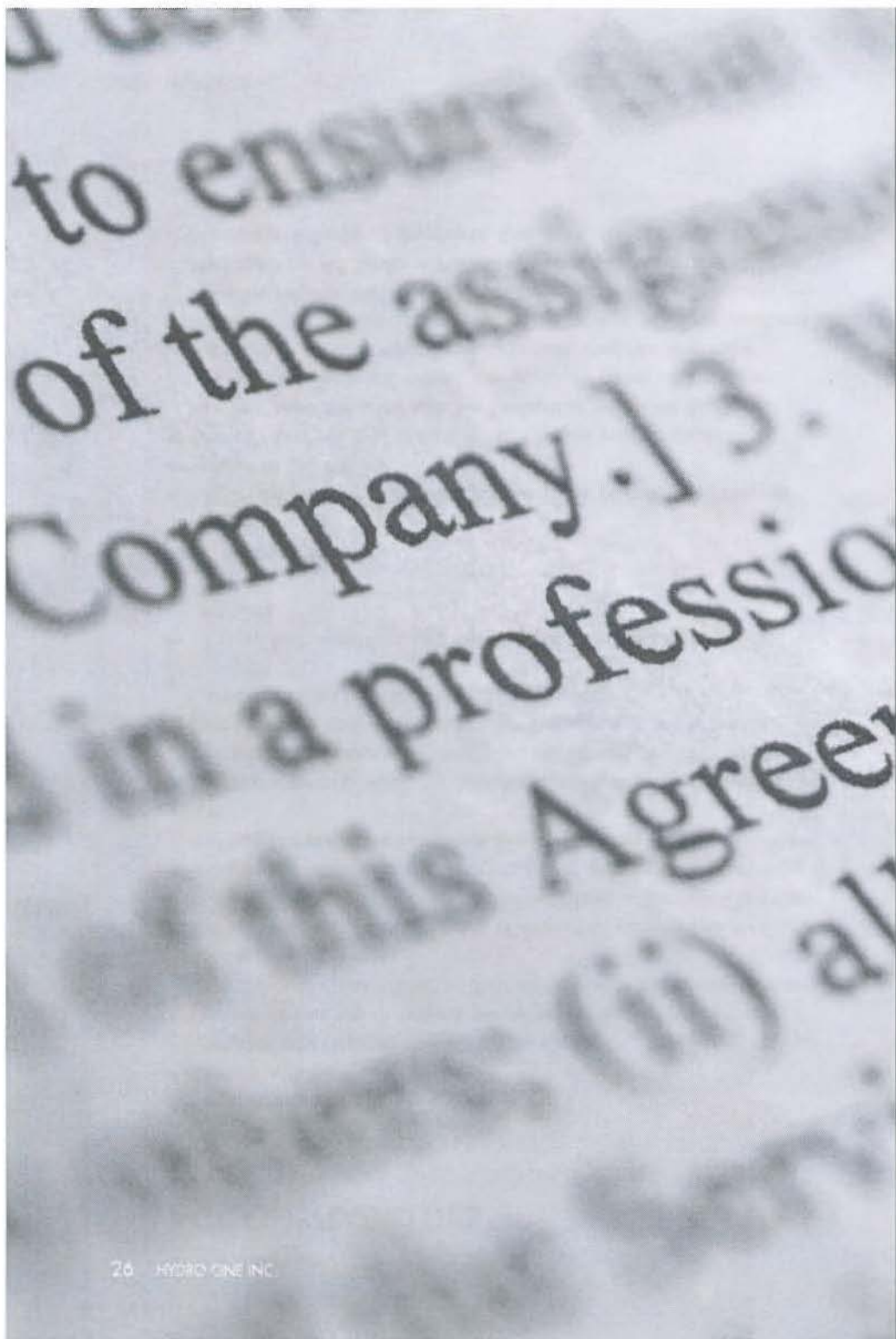
### Conducting Domestic and International Business

We apply Hydro One's Code to all of the company's operations, international as well as domestic and understand that the Code must be complied with in all circumstances even if conventional practice is different in foreign jurisdictions. Hydro One employees comply with the letter and spirit of domestic and foreign legal requirements including applicable laws, rules and regulations, as they apply to all business activities.

Hydro One employees are committed to ensuring that internationally-recognized human rights of men, women, children, and indigenous and tribal peoples, are respected in all Hydro One activities, wherever Hydro One does business.

We consult with relevant government authorities and local communities to ensure a project does not pose a disproportionate physical, social, or economic danger to the neighbouring populations, property, or environment.

Hydro One employees maintain the highest standards of conduct, in Ontario, North America and overseas. We adhere to the same standards provided by Canadian law concerning the conduct of business in foreign countries. We are subject to and comply with Canada's *Corruption of Foreign Public Officials Act* and the United States' *Foreign Corrupt Practices Act of 1977*. We resist all other trade restrictions or restrictive trade practices where they violate international norms and standards.



## ENSURING COMPLIANCE

At Hydro One, we are committed to building upon our well-earned reputation as an ethical and credible company. For each of us, this means living up to the principles of integrity, excellence and citizenship in everything we do, as well as ensuring complete compliance with our Code.



## ACCOUNTABILITIES

### Employees

#### All employees shall:

- Comply with the Code;
- Complete any required training on the Code;
- Declare all conflicts of interest, perceived conflicts of interest, and potential conflicts of interest to their supervisor or the Corporate Ethics Officer;
- Immediately report any violations or suspected violations of the Code to their supervisor, the Corporate Ethics Officer, or through ClearView;
- Immediately report any concerns regarding questionable accounting or auditing matters to the Corporate Ethics Officer or through ClearView; and
- Inform our agents, suppliers, consultants, contractors and business partners of our expectation that they comply with our Code to the extent feasible and immediately report non-compliance to the Corporate Ethics Officer.

In all good faith reporting, employees are assured that there will be no reprisals.

### MCP Employees

#### All MCP employees, in addition to their responsibilities as employees, shall:

- Annually confirm, and update throughout the year as necessary, that they have complied with the Code, that they have declared any conflicts of interest, actual, perceived, or potential and taken appropriate steps to mitigate such conflicts, and that they have identified any outside appointments, directorships or officer positions using the form entitled "Compliance Form". This form is available on **HydroNet – All Links – Policies, Procedures, and Manuals – Code of Business Conduct**.

### Supervisors

#### Supervisors, in addition to their responsibilities as employees, shall:

- Ensure that their employees understand and comply with the Code;
- Ensure that their employees meet their accountabilities as outlined above;
- Create an environment that ensures that employees feel comfortable bringing their concerns forward;
- Be a knowledgeable and reliable source of advice;
- Maintain the confidentiality of the identity of the individual raising concerns to the extent permitted by law and Hydro One's ability to address the concern;
- Inform the Corporate Ethics Officer of any conflict of interest declarations (including potential conflicts of interest);
- Immediately inform the Corporate Ethics Officer of any actual or suspected violations of the Code; and
- Review the Code with their employees on an annual basis and report all Code violations and conflicts of interest (actual, perceived or potential) to the Corporate Ethics Officer.

### Corporate Ethics Officer

#### The Corporate Ethics Officer shall:

- Ensure that the Code is implemented within Hydro One;
- Implement and maintain a secure third-party reporting system;
- Annually review and update the Code for submission to the Human Resources Committee ("HR Committee");
- Track and report all reported violations of the Code to the HR Committee on an annual basis;
- Track and report all reported violations of the Code regarding accounting, internal accounting controls, or auditing matters to the Audit and Finance Committee biannually or more frequently as required;



- Provide advice and guidance with respect to the provisions of the Code;
- Ensure that appropriate management action is taken to investigate and manage known or suspected violations of the Code;
- Immediately report all anonymous complaints regarding the Code, regardless of the materiality of such complaints, to the President and Chief Executive Officer (if the complaint does not involve the President and Chief Executive Officer), or the Chair of the Board (if the complaint involves the President and Chief Executive Officer); and
- Report all anonymous complaints regarding the Code to the Board of Directors.

### President and Chief Executive Officer

The **President and Chief Executive Officer** will submit the Code for approval by the Board of Directors of Hydro One Inc. and is accountable for development and implementation of any policies and procedures required for putting the Code into practice. The President and Chief Executive Officer is ultimately responsible for Hydro One's compliance with the Code and this includes ensuring the compliance of all employees.

The Board of Directors monitors compliance with the Code through the HR Committee and the Audit and Finance Committee, to whom the Corporate Ethics Officer reports. Any waivers from the Code for the benefit of directors or executive officers shall be granted solely by the Board of Directors and will be disclosed in accordance with all applicable legal requirements. In addition, the Board of Directors reviews and reassesses the Code annually.



## ANONYMOUS REPORTING

Any suspected violation of the Code can be reported anonymously to the Corporate Ethics Officer and the matter will be fully investigated. If employees are uncomfortable reporting directly to the Corporate Ethics Officer, they can report their concerns anonymously to ClearView by telephone (1-866-921-4491), internet ([www.clearviewconnects.com](http://www.clearviewconnects.com)), or by confidential mail (P.O. Box 11017, Toronto, Ontario, M1E 1N0). Reports of alleged wrongdoing should include as much detail as possible including dates, individuals/witnesses involved, and any supporting material/evidence that may be pertinent to the allegation. All complaints are taken very seriously and fully investigated. Whether a report or allegation is made directly to a supervisor, to the Corporate Ethics Officer or anonymously, if a violation is found and supported, the matter is appropriately addressed. If an allegation is not found to be supported, the matter is closed.

Choosing to include personal information about yourself in a report to ClearView means that you have consented to the collection of that personal information by Hydro One, and the information will be provided to the Corporate Ethics Office for investigation. There will be no reprisal against any employee for making a report in good faith.



## WHO TO CONTACT

**Maureen Wareham**  
**Corporate Secretary and Corporate Ethics Officer**  
**Tel: 416-345-6313**  
**email: [maureen.wareham@HydroOne.com](mailto:maureen.wareham@HydroOne.com)**

## **RFx Process Confidentiality Agreement**

Dated as of date of Proponent's signature below.

### **Between:**

Hydro One Networks Inc. ("Hydro One")

and

the party signing below and identified as "Proponent"

A. Hydro One from time to time issues requests for proposals, expressions of interest, tenders, qualifications and requests of like nature (each an 'RFx') with respect to the acquisition of goods and or services.

B. Hydro One considers the RFx and the facts that an RFx has been issued to Proponent, that Hydro One Confidential Information has been provided to Proponent and that discussions, negotiations or investigations in relation to the RFx have taken place, or are taking place or may take place and all information of Hydro One or an affiliate accessed by Proponent or provided to Proponent in connection with the RFx by or on behalf of Hydro One or an affiliate or a customer of either, which, regardless of form, a reasonable person would consider to be proprietary or confidential, to be "Hydro One Confidential Information".

C. Hydro One requires that Proponent be bound to Hydro One under a valid and subsisting agreement in this form as a condition of issuance of an RFx to Proponent.

D. In fairness to other participants of any RFx process, Hydro One cannot contemplate amendments hereto. Any contract arising with Proponent from an RFx should address the confidentiality obligations of the parties from and after the time agreement is reached.

E. Proponents are expected to use discretion in disclosing proprietary or confidential information to Hydro One. "Proponent Confidential Information" means product or service specifications which are marked 'Confidential' and pricing information, relating to Proponent's response to the RFx.

In consideration of Hydro One issuing one or more RFx documents to the Proponent during the currency of this Agreement and other good and valuable consideration, the parties agree as follows:

### **1. Definitions**

For the purposes of this Agreement, the following additional definitions will apply:

**"Customer Information"** means any specific information about a customer of Hydro One and/or any of its affiliates and includes, but is not limited to, Personal Information.

**"Personal Information"** means any factual or subjective information, recorded or not, about an identifiable individual and this includes information in any form, including, but not limited to age, name, ID numbers, income and ethnic origin.



**“Purpose”** means for the purpose of the RFX in connection with which the information was disclosed or discovered, including without limitation, reviewing, evaluating and/or responding to the RFX or the Proponent’s response thereto and with respect to any contract for the supply of goods or services arising between the parties in connection with the RFX, means for the purpose of the contract in connection with which the information was disclosed or discovered, including without limitation, for the purpose of performance or enjoyment of performance of the contract;

## **2. Inclusions and Exclusions to Confidential Information**

Hydro One Confidential Information shall be deemed to include Customer Information and Personal Information.

Neither Hydro One Confidential Information nor Proponent Confidential Information shall include information which:

- (a) Is previously known to or lawfully in the possession of the recipient as evidenced by the recipient’s written record prior to the date of disclosure;
- (b) Is independently known to or discovered by the recipient, without any reference to the confidential information of the disclosing party;
- (c) is obtained by the recipient from an arm's length third party having a bona fide right to disclose same and who was or is not otherwise under an obligation of confidence or fiduciary duty to the disclosing party;
- (d) Lawfully is or becomes public knowledge through no fault or omission of, or breach of this Agreement by, the receiving party; or
- (e) Is required to be disclosed pursuant to a final judicial or governmental order or other legal process.

## **3. Disclosure and Use of Confidential Information**

Hydro One may issue RFX(s) to Proponent from time to time. Hydro One agrees to maintain Proponent Confidential Information, and Proponent agrees to maintain all Hydro One Confidential Information disclosed or discovered in connection with a particular RFX, in strict confidence and to use such Proponent Confidential Information or Hydro One Confidential Information as the case may be, solely for the Purpose and, without limiting the generality of the forgoing limitation, not for the purpose of achieving any additional commercial or financial benefit. In addition, the Proponent may only make such copies of Hydro One Confidential Information as are reasonably necessary for the Purpose. The Proponent is permitted to disclose Hydro One Confidential Information only to such of its personnel who need to know the Hydro One Confidential Information for the Purpose.

## **4. Compelled Disclosure**

In the event that a party (in this paragraph, the ‘recipient’) or anyone to whom the recipient transmits (in this paragraph, the ‘transmittee’) the confidential information of the other (namely the Hydro One Confidential Information or the Proponent Confidential Information as the case may be) becomes legally compelled to disclose any of such confidential information, the recipient will provide the other party with prompt notice so that the other party may seek injunctive relief or other appropriate remedies and/or waive compliance with the provisions of this Agreement. In the event that such other party is unable to obtain

injunctive relief or other remedies, the recipient will exercise reasonable efforts to prohibit the further transmission of the confidential information. In the event that both parties are unable to prevent the further transmission of the confidential information, the recipient will, or will use reasonable efforts to cause the transmittee to furnish only that portion of the confidential information, which the recipient is advised by written opinion of counsel is legally required to be furnished by the recipient or transmittee to such person, and exercise reasonable efforts to obtain assurances that confidential treatment will be afforded to that portion of the confidential information so furnished.

**5. Security Safeguards**

The Proponent undertakes to protect and safeguard all Hydro One Confidential Information hereof in its possession or under its control in the manner described in Schedule “A” attached hereto and forming a part of this Agreement (the “Security Safeguards”).

**6. Unauthorized Use or Disclosure of Confidential Information**

Each party undertakes to notify the other immediately upon discovery of any unauthorized use and/or disclosure of the confidential information of the other as defined herein, to cooperate with the other to help regain possession of such confidential information, and to prevent its further unauthorized use and/or disclosure.

**7. Audit of Information Management Practices**

Where Personal Information has been disclosed, at any reasonable time, and where Customer Information has been disclosed, where Hydro One has reason to suspect a breach of this Agreement, and in either case on reasonable notice, Hydro One shall have the right to audit the information management practices of the Proponent for compliance with the terms of this Agreement, including, but not limited to Section 5 hereof, and all applicable laws.

**8. Return of Confidential Information**

The Proponent shall promptly return to Hydro One or destroy (and provide written certification thereof) all Hydro One Confidential Information (and any copies thereof) on request except such copies as Proponent may be required to retain at law.

**9. Remedies**

The parties agree that each would be irreparably injured by a breach of this Agreement by the other and that in such event, the injured party may seek equitable relief, including injunctive relief, specific performance and/or such other relief as may be granted by any court to prevent breaches of this Agreement and to enforce specifically the terms and conditions herein in any action instituted in any court having subject matter jurisdiction, in addition to any other remedy to which the party may be entitled at law or in equity.

**10. Assignment**

Neither this Agreement nor any rights or obligations hereunder may be assigned by either party without the prior written consent of the other. Subject to the foregoing, this



Agreement shall extend to, be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

**11. Notices**

Notices required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been properly given on the date of actual delivery if delivered by hand or by courier, five business days after dispatch by registered mail, and on the date faxed (unless it is faxed after the addressee's normal business hours, in which case it shall be deemed received on the addressee's next business day), addressed to the party to whom it was sent at the address, or fax number, of such party as specified in writing by such party to the other party.

**12. No Waiver**

The failure of either party to exercise any right, power or option or to enforce any remedy or to insist upon the strict compliance with the terms, conditions and covenants under this Agreement shall not constitute a waiver of the terms, conditions and covenants herein with respect to that or any other or subsequent breach thereof nor a waiver by the party at any time thereafter to require strict compliance with all terms, conditions and covenants hereof, including the terms, conditions and covenants with respect to which the party has failed to exercise such right, power or option. Nothing shall be construed or have the effect of a waiver except an instrument in writing signed by a duly authorized officer of the party which expressly waives a right, power or option under this Agreement.

**13. Announcements**

Except as required by law, regulatory authorities, or stock exchanges, no public announcement, press release, or other public disclosure concerning this Agreement or the transactions contemplated herein shall be made by the Proponent, without Hydro One's prior written consent and approval. The Proponent shall provide at least 72 hours' notice to Hydro One, if permitted by law, prior to making any announcement required by law, regulatory authorities, or stock exchanges. Hydro One may take such actions as it deems necessary to prevent such disclosure if in its sole opinion such disclosure is not mandatory. The Proponent shall not make any statements or submissions on behalf of Hydro One concerning this Agreement or the RFX, or the Proponent's response thereto, or any contract or services arising in connection with the RFX and response, without the express written consent of Hydro One.

**14. Entire Agreement**

This Agreement constitutes the entire Agreement between the parties respecting the confidentiality of their respective confidential information and supersedes all prior negotiations, representations, understanding or agreements, written or oral, between them concerning same.

**15. Severability**

If any non-material provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason by any court of

competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provision of this agreement which shall otherwise remain in full force and effect and be enforced in accordance with its terms and the effect of such holding, declaration or pronouncement shall be limited to the territory or jurisdiction in which made.

**16. Applicable Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and the parties hereby irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Ontario at Toronto in the event of a dispute hereunder.

**17. Term and Termination**

This Agreement and the terms hereof shall continue to be in effect and apply to information disclosed or discovered in connection with an RFx issued pursuant hereto indefinitely, notwithstanding the termination of the application of this Agreement as provided below. Hydro One may terminate the application of this Agreement to future RFx processes by advice to Proponent that execution of a new form of Non-Disclosure Agreement is a condition of receipt of any such RFx without affecting the validity or applicability of this Agreement to any RFx issued prior to such advice.

**IN WITNESS WHEREOF** the parties have caused this Agreement to be executed as of the date shown below for Proponent's signature by their respective duly authorized signatories.

<div>_____</div> <div><b>Enter Company Name Above.</b></div> <div>Per: _____</div> <div><b>I have the authority to bind the corporation.</b></div> <div>Name: _____ (PLEASE PRINT NAME)</div> <div>Title: _____ (PLEASE PRINT TITLE)</div> <div>Date: _____ (MMM/DD/YYYY)</div>	<div><b>HYDRO ONE NETWORKS INC.</b></div> <div>Per: _____</div> <div><b>I have the authority to bind the corporation.</b></div> <div>_____, Supply Chain Services</div> <div>Date: _____ (MMM/DD/YYYY)</div>
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## **Schedule “A”**

### **Security Safeguards Regarding Hydro One Confidential Information**

*Proponent shall protect Hydro One Confidential Information by security safeguards appropriate to the sensitivity of the information (provided that Proponent may apply the highest level of security safeguards to all Hydro One Confidential Information).*

- 1) Proponent shall protect Hydro One Confidential Information against such risks as loss or theft, unauthorized access, disclosure, copying, use, modification or destruction, through appropriate security measures, regardless of the format in which it is held.
- 2) All of Proponent’s employees with access to Hydro One Confidential Information shall be contractually required to respect the confidentiality of that information.
- 4) The nature of the safeguards will vary depending on the sensitivity, amount, distribution and format of the information, and the method of storage. More sensitive information such as Personal Information and Customer Data will be safeguarded by a higher level of protection.
- 5) The methods of protection will include:
  - (a) Physical measures, for example, locked filing cabinets and restricted access to offices;
  - (b) Organizational measures, for example, controlling entry to data centers and limiting access to information on a “need-to-know” basis;
  - (c) Technological measures, for example, the use of passwords and encryption; and
  - (d) investigative measures, in cases where Proponent has reasonable grounds to believe that Hydro One Confidential Information is being inappropriately collected, used or disclosed by anyone whom in law the Proponent is responsible.



**ADDENDUM TO RFx-PROCESS CONFIDENTIALITY AGREEMENT:  
NON-DISCLOSURE AGREEMENT FOR PROPONENT'S USE OF HYDRO ONE'S DATA ROOM**

The Proponent is a signatory to an RFx Process Confidentiality Agreement (the "Agreement") with Hydro One Networks Inc. ("Hydro One") delineating restrictions on use and disclosure by Proponent, of Hydro One Confidential Information.

The Proponent is a pre-qualified participant for a request for proposals concerning outsourcing agreement retendering (the "RFP") in connection with which Hydro One will permit Proponent access to an on-line SharePoint site containing information about the business of Hydro One and its affiliates, among other things (the "Data Room").

This Addendum to the Agreement governs access by the Proponent to the Data Room and all information made accessible in connection therewith.

**1. Definitions.** Capitalized terms used in this Addendum have the same meaning as set out in the Agreement unless the context otherwise suggests. Also, in this Addendum:

**"Hydro One Confidential Information" shall mean passwords and similar security measures or devices issued to Proponent to enable access to the Data Room, and all information accessed through the Data Room, subject only to the exclusions listed in paragraph 2 of the Agreement.**

**"Representative"** means a person controlling or controlled by or under common control of a Proponent and each of the respective directors, officers, employees, consultants, subcontractors, agents or legal, financial or professional advisors of a Proponent, or such Proponent's Representative.

**2. Scope of Addendum.** This Addendum supplements the terms of the Agreement as the Agreement applies to Hydro One Confidential Information as above-defined. Except to the extent of a conflict, the terms of the Agreement shall be deemed to apply *mutatis mutandis* to Hydro One Confidential Information as herein defined.

**3. Disclosure to Representatives.** The Proponent may disclose Hydro One Confidential Information only to such of its Representatives who need to know the Confidential Information for the Purpose(s) and only if such Representatives have been made aware of, and have agreed in writing to be bound by the terms and conditions hereof, including the terms and conditions of the Agreement. Proponent acknowledges that with this Addendum, its duties and obligations with respect to Hydro One Confidential Information, including with respect to the security thereof, extends to the password or other proponent-specific security measures or devices issued to Proponent in connection with Data Room access. The Proponent hereby specifically covenants and agrees that it shall ensure that its Representatives comply with and are bound by the terms and conditions of this Addendum and the Agreement and that it shall defend, indemnify and hold harmless Hydro One, its successors and assigns, and its Representatives from and against all liabilities, suits, actions, damages, claims, expenses and costs arising out of any breach of this Addendum or the Agreement by the Proponent or any of its Representatives. The above provision in respect of indemnification shall survive the expiry or termination of this Addendum or the Agreement.



**4. No Reproduction.** Hydro One Confidential Information shall not be reproduced in any form except as required to accomplish the intent of this Addendum or the Agreement. Any reproduction, including derivative applications of any Hydro One Confidential Information shall remain the property of Hydro One and shall contain any and all confidential or proprietary notices or legends which appear on the original.

This Addendum is executed as of the date shown below for the signature of a duly authorized signatory of the Proponent.

<REPLACE TEXT WITH COMPANY NAME>	HYDRO ONE NETWORKS INC.
Per: _____ I have the authority to bind the corporation.	Per: _____ I have the authority to bind the corporation.
Name: <Replace Text with Printed Name>	Name: Yvette Bryck, Sourcing Category Manager,
Title: <Replace Text with Printed Title>	Title: Supply Chain Services
Date: <Month xx, xxxx> _____	Date: _____



## ***RFP ACRONYM LIST***

### ***FOR THE PROVISION OF SERVICES***

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ADM	–	Application Development and Maintenance
ADS	–	Advanced Distribution System
AMI	–	Advanced Metering Infrastructure
AR	–	Accounts Receivable
BAFO	–	Best and Final Offer
BES	–	BlackBerry Enterprise Server
BI	–	Business Intelligence
BI/BW	–	Business Intelligence/Business World
BOBJ	–	SAP Business Objects
BPO	–	Business Process Outsourcing
BYOD	–	Bring-Your-Own-Device
CCC	–	Customer Communication Centre
CDM	–	Customer Demand Management
CFS	–	Cross-Functional Services
CIO	–	Chief Information Officer
CIS	–	Customer Information System
COP	–	Cost of Power
CRA	–	Canada Revenue Agency
CR&B	–	Customer Relationship and Billing
CRC	–	Customer Relations Centre
CRM	–	Customer Relationship Management
CTI	–	Computer Telephony Integration
CSO	–	Customer Service Operations
DG	–	Distributed Generation
DMS	–	Distribution Management System
DS	–	Distribution Station
EAM	–	Enterprise Asset Management
EBT	–	Electronic Business Transaction
ECC	–	Enterprise Central Component
ECM	–	Enterprise Content Management
ED	–	Embedded Documents
EDI	–	Electronic Data Interchange
EFT	–	Electronic Funds Transfer
EMF	–	Electric and Magnetic Field
ERP	–	Enterprise Resource Planning
ESB	–	Enterprise Service Bus
ETL	–	Extract, Transform, and Load
F&A	–	Finance & Accounting
FIT	–	Feed-in Tariff
GIS	–	Geographical Information System
GMB	–	Gang Meter Base
GPS	–	Geographical Positioning System
GTA	–	Greater Toronto Area
IEEE	–	Institute of Electrical & Electronic Engineers



## ***RFP ACRONYM LIST***



### ***FOR THE PROVISION OF SERVICES***

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IESO	–	(Ontario's) Independent Electricity System Operator
IMACs	–	Installations, Moves, Adds and Changes
Inergi	–	Inergi LP
IFRS	–	International Financial Reporting Standards
ISD	–	Information Solutions Division
ISO	–	International Standards Organization
IT	–	Information Technology
ITO	–	Information Technology Operations
IVR	–	Interactive Voice Response
JV	–	Joint Venture
KPI	–	Key Performance Indicator
kW	–	kilowatts
LAN	–	Local Area Network
LDC	–	Local Distribution Companies
LOB	–	Line of Business
LTLT	–	Long-term Load Transfers
MDMR	–	Meter Data Management Repository
MPPs	–	Members of Provincial Parliament
MS	–	Microsoft
NEB	–	Non-Energy Billing and Accounts Receivable
NOD	–	Notice of Disagreement
O&M	–	Operating & Maintenance
OEB	–	Ontario Energy Board
OFS	–	Offer to Connect
OPA	–	Ontario Power Authority
OSC	–	Ontario Securities Commission
OTS	–	Off-the-Shelf
PAD	–	Pre-Authorized Debit
PSO	–	Prudential Support Obligation
PWU	–	Power Workers Union
PO	–	Purchase Order
PSIT	–	Power System IT
RESOP	–	Renewable Energy Standard Offer Program
RF	–	Radio Frequency
RFPs	–	Requests for Proposal
RFPQ	–	Request for Pre-Qualification
S2P	–	Source-to-Pay
SCM	–	Supply Chain Management
SOA	–	Service-Oriented Architecture
SOP	–	(OPA's) Standard Offer Program (from renewable energy)
SOW	–	Statement of Work
SPOC	–	Single Point-of-Contact
SRM	–	Supplier Relationship Management
S2P	–	Source-to-Pay

## ***RFP ACRONYM LIST***

### ***FOR THE PROVISION OF SERVICES***

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ST	–	Sub-transmission
STLT	–	Short-term Load Transfers
T&Cs	–	Terms & Conditions
T&D	–	Transmission & Distribution
TOU	–	Time-of-Use
TS	–	Transmission Station
USofA	–	Uniform System of Accounts
VEE	–	Validating, Estimating and Editing
WI	–	Work Instructions
WSIB	–	Workplace Safety Insurance Board





# How to Use the Bidding System

# Bidding System Key Concepts

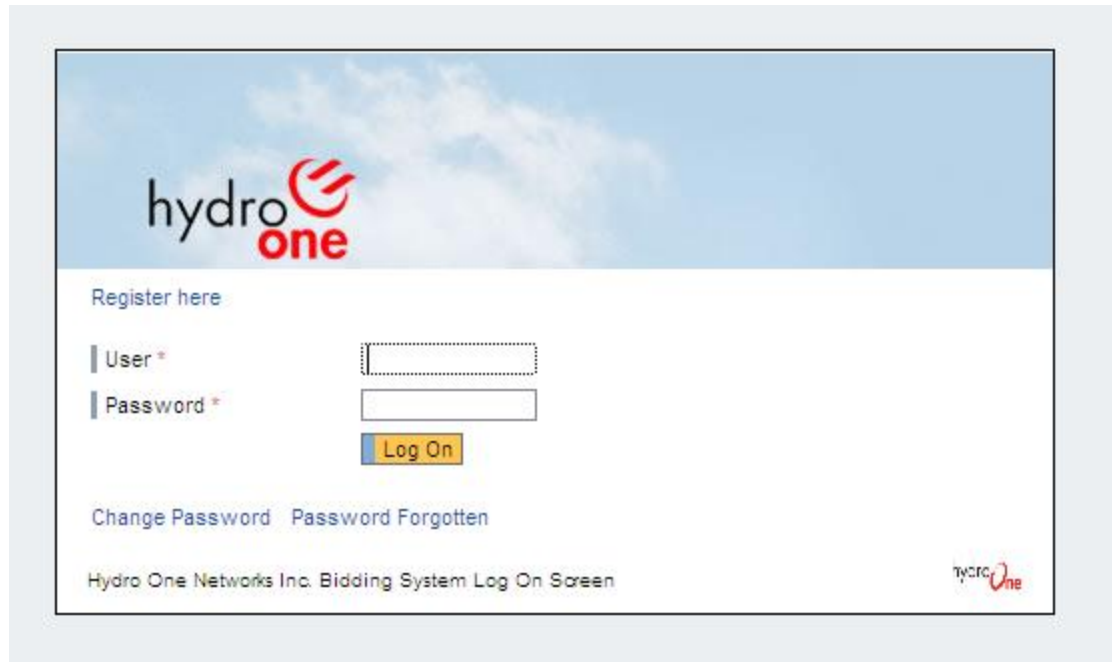
---

- INQUIRIES: All RFx specific inquiries only go to the buyer identified in the RFx.
- Bidders can retrieve all RFx types from the SRM Bidding Engine.
- To maintain a copy of the RFx (Bid Invitation) for your records see instructions on slide 15. You must do this PRIOR to creating a bid.
- See slide 47 to understand **important implications** of holding, submitting, changing, changing & holding and resubmitting Bids.



# Login to the Bidding System

Bidder enters User ID and Password provided by Hydro One

A screenshot of the Hydro One Bidding System login screen. The page has a light blue header with the Hydro One logo. Below the header, there is a "Register here" link. The main login area contains two input fields: "User \*" and "Password \*". Below these fields is a yellow "Log On" button. At the bottom of the login area, there are links for "Change Password" and "Password Forgotten". The footer of the page includes the text "Hydro One Networks Inc. Bidding System Log On Screen" and a small Hydro One logo on the right.

hydro one

[Register here](#)

User \*

Password \*

[Log On](#)

[Change Password](#) [Password Forgotten](#)


Hydro One Networks Inc. Bidding System Log On Screen


hydro one

# Changing Your Password

- First time entry will prompt the user to change the password
- Enter the current Password supplied to you by Hydro One
- Choose and enter your new Password and repeat your new Password in the field provided
- Select Change to complete the transaction

Change Password

 No switch to HTTPS occurred, so it is not secure to send a password

 This is an initial password that must be changed

Users

SBE500019

Current password \*

New password \*

Repeat Password \*

Change

## Password requirements:

- At least two characters must be different in the new password
- There must be at least one numeric (0-9)
- There must be at least one letter (A-Z)
- The password must be at least eight characters long (XXXXXXXX)
- There must be at least one lower case (a-z) and one upper case (A-Z) character

# SRM Navigation


- When using the online Bidding Engine, DO NOT use the Internet Explorer Navigation buttons
- If these buttons are used, the Bidding Engine application will not function properly



It is important to only use the navigation methods in the SRM application



# Bidding System – Search Criteria

Hydro One [Home](#) | [Help](#) | [Log off](#) 

**Process Bids**

Process Bid  
Process Bidder and Contact Person

**Search Criteria**




























Find Bid Invitations and Auctions

Number of Document  Name  Status  Processed by Me

Start [Extended Search](#)

Tip: Choose a symbol in the navigation column or navigate to the bid overview by choosing the bid number

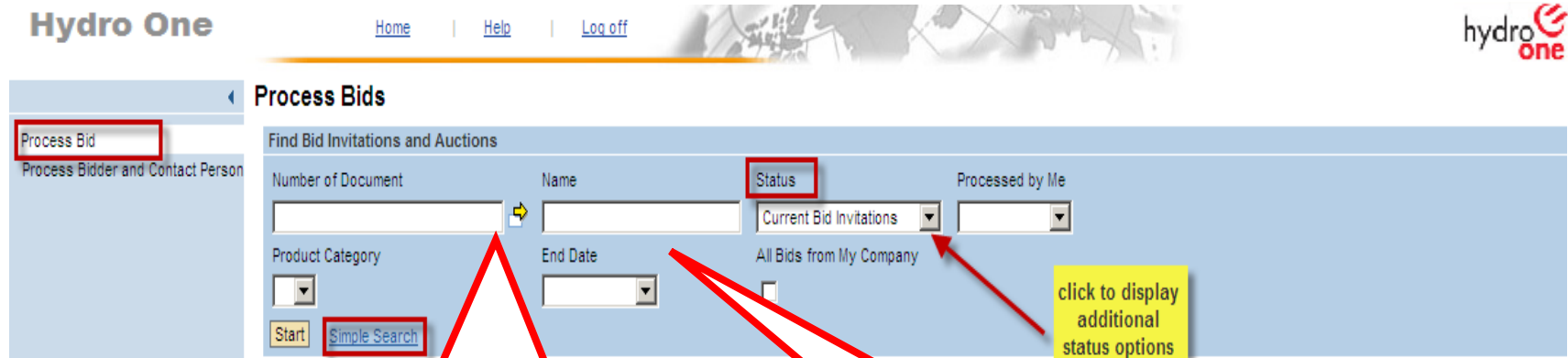
Search Result: 9 Hits

Number	Name	Trans. Type	End Date	Bid Status	Action
<a href="#">7000000423</a>	AS_service test 2011.04.06 16:03:54	RFQ	2011.04.13 00:00:00	No Bid Created	  
<a href="#">7000000422</a>	Tendering Text / MPN Tes04/06/2011 10:12	RFQ	2011.04.13 00:00:00	No Bid Created	  
<a href="#">7000000407</a>	MPN & SHIP TO ADDRESS	RFQ	2011.04.28 00:00:00	No Bid Created	  
<a href="#">7000000406</a>	P GROUP DISPLAY FROM EXT. REQ	RFQ	2011.04.20 00:00:00	No Bid Created	  
<a href="#">7000000402</a>	AS_Test PGroup 04/05/2011 00:02	RFQ	2011.04.16 00:00:00	No Bid Created	  
<a href="#">7000000340</a>	WF	RFQ	2011.03.22 11:15:00	Bid submitted	  
<a href="#">7000000237</a>	Attachments test	RFQ	2011.03.03 16:20:00	Bid submitted	  
<a href="#">7000000233</a>	bidder role test 3	RFQ	2011.03.03 10:40:00	Release Rejected	  
<a href="#">7000000227</a>	role test bidder	RFQ	2011.03.02 14:38:00	Bid submitted	  

A dropdown list of all the Bid Invitations (Public/ Recipient directed) based on the search criteria selected, either by the document number, name, status or processed by date

# Bidding System – Search Criteria

- The Process Bids Screen displays a Search Engine
- The Bidder can enter the BID Number if known or Search for a bid by entering the Search Criteria in the Filters provided



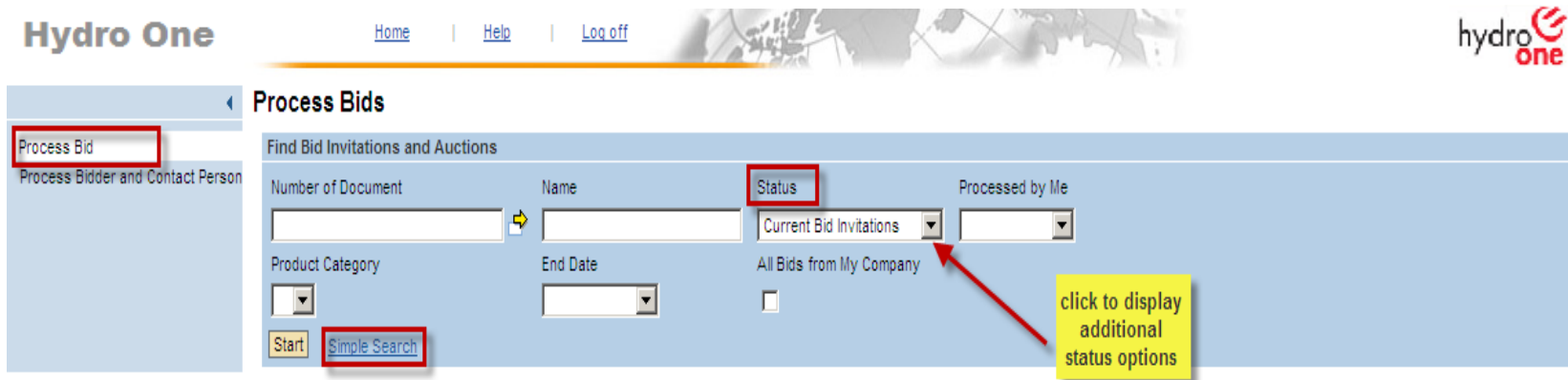
The screenshot shows the 'Process Bids' section of the Hydro One web application. It includes a search bar labeled 'Process Bid' and a sidebar with 'Process Bidder and Contact Person'. The main search area is titled 'Find Bid Invitations and Auctions' and contains several filters: 'Number of Document', 'Name', 'Status', 'Product Category', 'End Date', 'Processed by Me', and 'All Bids from My Company'. A yellow callout box points to the 'Status' dropdown menu with the text 'click to display additional status options'. A red box highlights the 'Simple Search' button. Red arrows point from two text boxes at the bottom to the 'Number of Document' and 'Name' fields respectively.

Enter the Bid Invitation Number (if known) in the Number of Document field

Enter the Bid Name in the name field (if known)

# Bidding System – Search Criteria

A bidder can perform a [Simple Search](#) or an [Extended Search](#) to display additional search criteria



The screenshot shows the 'Process Bids' section of the Hydro One bidding system. On the left, a sidebar contains a link for 'Process Bid'. The main area is titled 'Find Bid Invitations and Auctions' and contains several search filters: 'Number of Document', 'Name', 'Status' (highlighted with a red box), 'Processed by Me', 'Product Category', 'End Date', and 'All Bids from My Company'. A 'Start' button and a 'Simple Search' link (highlighted with a red box) are at the bottom left. A red arrow points from a yellow callout box with the text 'click to display additional status options' to the 'Status' dropdown menu.

A description of the fields is given on the next slide



# Search Criteria – Description of Fields



Field Name	Description
Number of Document	Bid Invitation Number – 10 digit unique number starting with number range 7xxxxxxxxx
Name	Name of the Bid Invitation
Status	<ul style="list-style-type: none"><li>• Status of the Bid Invitation used to identify the completion status of an event. Entering a status will narrow the search result</li><li>• Held Bids – Work in process bids that are created and saved but NOT submitted.</li><li>• The Bids are NOT checked by the system for completeness/correctness or finalized by the user to be completed at a later date</li><li>• Current Bid Invitations – Open Bid Invitations</li><li>• Ended Bid Invitations – Submission date and time has reached; however the Bid Invitation has Not yet been marked “closed” by the Buyer</li><li>• Completed Bid Invitations – Bid Invitations that are manually closed in the system by the Buyer</li><li>• Blank Selection displays all Bid Invitations (Public/Recipient directed)</li></ul>

# Search Criteria – Description of Fields



Field Name	Description
Processed by Me	Allows to filter Bids to display for time periods by user
End Date	Bid submission end date
Product Category	Product Category is not being used at this time
End of Binding Period	Bid Validity Period
All Bids From My Company	Displays a list of all the Bid Status from the Bidder: <ul style="list-style-type: none"><li>• No Bid Created</li><li>• Held</li><li>• Bid Submitted</li></ul>

# Bidding System – Search Criteria

Once all the search criteria in the drop down menu has been entered, click **Start** to display the results of the search

Hydro One

[Home](#) | [Help](#) | [Settings](#) | [Log off](#)

hydro one

Process Bid

Process Vendor or Bidder

Process Bids

Find Bid Invitations and Auctions

Number of Document

→

Name

Status

Current Bid Invitations

Processed by Me

Start

Extended Search

Tip: Choose a symbol in the navigation column or navigate to the bid overview by choosing the bid number

Search Result: 25 Hits

Number	Name	Trans. Type	End Date	Bid Status	Action
<a href="#">7000001068</a>	E05607 2011.05.19 13:58:56	RFQ	2011.05.20 15:00:00	No Bid Created	
<a href="#">7000001067</a>	email cp test	RFQ	2011.05.22 00:00:00	No Bid Created	
<a href="#">7000001066</a>	AS_Test 2011.05.19 11:11:16	RFQ	2011.05.31 00:00:00	No Bid Created	
<a href="#">7000001055</a>	AS_Email Test 2011.05.19 08:41:07	RFQ	2011.05.31 00:00:00	No Bid Created	
<a href="#">7000001054</a>	Henry Test email 2011.05.18 17:19:48	RFQ	2011.05.31 00:00:00	No Bid Created	
<a href="#">7000001052</a>	E05525 2011.05.18 11:37:54	RFQ	2011.05.31 00:00:00	No Bid Created	
























# Bidding System – Sign up Process

- It is mandatory for bidders to complete the Sign Up process for each public bid invitation to be able to participate in the bidding process
- Bidders who receive directed RFx are already Signed Up.
- Click on the Bid Invitation number that you wish to participate in

Tip: Choose a symbol in the navigation column or navigate to the bid overview by choosing the bid number

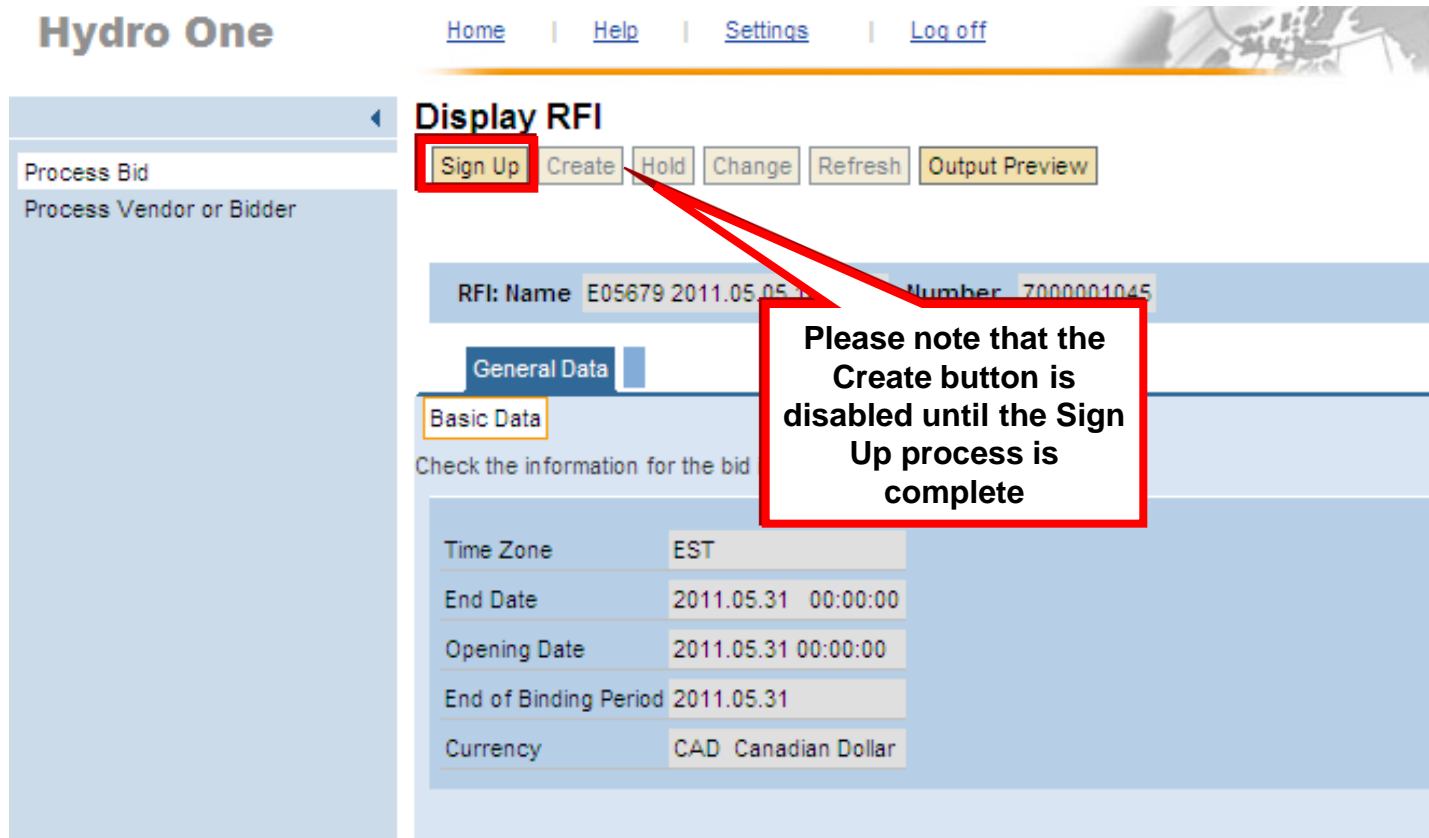
Search Result: 25 Hits

Number	Name	Trans. Type	End Date	Bid Status	Action
<a href="#">7000001068</a>	E05607 2011.05.19 13:58:56	RFQ	2011.05.20 15:00:00	No Bid Created	  
<a href="#">7000001067</a>	email cp test	RFQ	2011.05.22 00:00:00	No Bid Created	  
<a href="#">7000001066</a>	AS_Test 2011.05.19 11:11:16	RFQ	2011.05.31 00:00:00	No Bid Created	  
<a href="#">7000001055</a>	AS_Email Test 2011.05.19 08:41:16		2011.05.31 00:00:00	No Bid Created	  
<a href="#">7000001054</a>	Henry Test email 2011.05.18 17:11:16		2011.05.31 00:00:00	No Bid Created	  
<a href="#">7000001052</a>	05523 2011.05.18 10:59:59		2011.05.31 00:00:00	No Bid Created	  
<a href="#">7000001051</a>	AS_Test Email 2011.05.18 10:59:59		2011.05.31 00:00:00	No Bid Created	  

Opens Document  
in Display Mode

# Bidding System – Sign Up Process

Sign up for the selected Bid by clicking on the **Sign Up** button



**Hydro One**    [Home](#) | [Help](#) | [Settings](#) | [Log off](#)

**Display RFI**

**Sign Up**   Create   Hold   Change   Refresh   Output Preview

RFI: Name E05679 2011.05.05.1    Number 7000001045

**General Data**

**Basic Data**

Check the information for the bid

Time Zone	EST
End Date	2011.05.31 00:00:00
Opening Date	2011.05.31 00:00:00
End of Binding Period	2011.05.31
Currency	CAD Canadian Dollar

Please note that the Create button is disabled until the Sign Up process is complete

# Signing Up

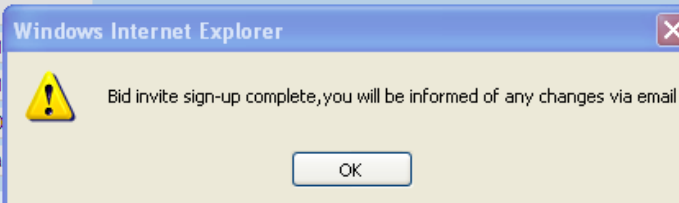
- Once you have signed up, the system will confirm that you have been Registered and any changes to the bid invitation going forward will be communicated to the signed up bidders via email for all RFx.
- Select ok. A message will appear in the Display RFQ Screen

## Display RFQ

RFQ: Name AS\_Test 2011.05.19 11:11:16 Number 7000001066

Check the information for the bid invitation.

Time Zone	EST
End Date	2011.05.31
Opening Date	2011.05.31
End of Binding Period	2011.06.30
Currency	CAD Cana



1 Message



# Maintain a record of the Bid Invitation



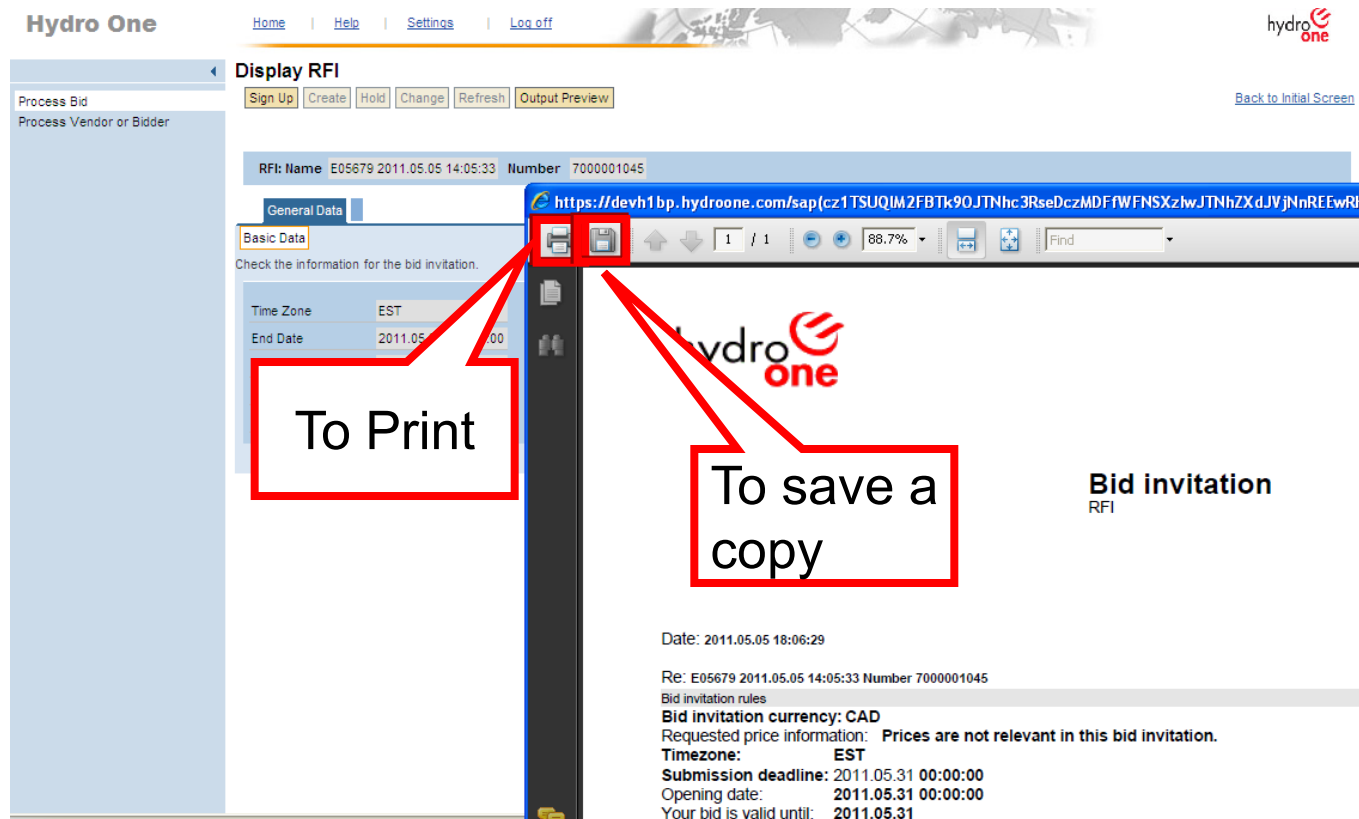
Print or save a copy of the Bid Invitation for your records by clicking on the Output Preview button and print or save **PRIOR** to creating a Bid.

The screenshot shows the Hydro One web interface. At the top, there is a navigation bar with the Hydro One logo and links for Home, Help, Settings, and Log off. Below this, the main content area is titled "Display RFI". On the left, there is a sidebar with a "Process Bid" button and a "Process Vendor or Bidder" button. In the center, there are several buttons: "Sign Up", "Create", "Hold", "Change", "Refresh", and "Output Preview". The "Output Preview" button is highlighted with a red border. Below the buttons, there is a section for "RFI: Name" and "Number". The "RFI: Name" is "E05679 2011.05.05 14:05:33" and the "Number" is "7000001045". Below this, there is a "General Data" tab, and under it, a "Basic Data" tab. The "Basic Data" tab contains a table with the following information:

Check the information for the bid invitation.	
Time Zone	EST
End Date	2011.05.31 00:00:00
Opening Date	2011.05.31 00:00:00
End of Binding Period	2011.05.31
Currency	CAD Canadian Dollar

# Output Preview

A PDF file will open in a separate window. Please note: **This is your ONLY opportunity to save or print a copy of the Bid Invitation**



The screenshot shows the 'Hydro One' web application interface. The top navigation bar includes links for Home, Help, Settings, and Log off. The main content area is titled 'Display RFI' and contains a sidebar with 'Process Bid' and 'Process Vendor or Bidder' options. The main panel displays RFI details for 'E05679 2011.05.05 14:05:33' with number '7000001045'. A 'Basic Data' tab is active, showing 'Time Zone: EST' and 'End Date: 2011.05.31 00:00:00'. A toolbar at the top of the content area includes buttons for 'Sign Up', 'Create', 'Hold', 'Change', 'Refresh', and 'Output Preview'. The 'Output Preview' button is highlighted with a red box and a callout labeled 'To Print'. The browser window shows the URL 'https://devh1bp.hydroone.com/sap(cz1TSUQIM2FBTk9OJTNhc3RseDczMDFwFNSXzlwJTnhZXdJVjNnREwRf...' and a toolbar with a printer icon (highlighted with a red box and 'To Print') and a save icon (highlighted with a red box and 'To save a copy'). The PDF content displays the 'Bid invitation RFI' details, including the date '2011.05.05 18:06:29', the RFI number, and submission rules.

**Hydro One** Home Help Settings Log off

**Display RFI** Sign Up Create Hold Change Refresh Output Preview Back to Initial Screen

RFI: Name E05679 2011.05.05 14:05:33 Number 7000001045

General Data Basic Data

Check the information for the bid invitation.

Time Zone EST  
End Date 2011.05.31 00:00:00

**To Print**

**To save a copy**

**Bid invitation RFI**

Date: 2011.05.05 18:06:29  
Re: E05679 2011.05.05 14:05:33 Number 7000001045  
Bid invitation rules  
**Bid invitation currency:** CAD  
Requested price information: Prices are not relevant in this bid invitation.  
**Timezone:** EST  
**Submission deadline:** 2011.05.31 00:00:00  
Opening date: 2011.05.31 00:00:00  
Your bid is valid until: 2011.05.31

# Before Entering a Bid

You **MUST** save a copy or print a copy of the RFx **PRIOR** to selecting create

## Display RFQ

[Sign Up](#) [Create](#) [Hold](#) [Change](#) [Refresh](#) [Output Preview](#)

[Back to Initial Screen](#)

RFQ: Name AS\_Email Test 2011.05.19 08:41:07 Number 7000001055

[General Data](#) [Item Data](#)

[Basic Data](#) | [Information from Purchaser](#) | [Partner/Delivery Address](#)

Check the information for the bid invitation.

Time Zone	EST
End Date	2011.05.31 00:00:00
Opening Date	2011.05.31 00:00:00
End of Binding Period	2011.07.31
Currency	CAD Canadian Dollar

### 1 Message



Bid invite sign-up complete, you will be informed of any changes via email

[Close](#)




# Use Data Tabs to review the RFx

- Information on the Display RFx and Process Bid Screens is organized on 2 levels:
  - General Data: Information Displayed in this section apply to the entire Bid Invitation
  - Item Data: Information displayed in this section applies to the specific item level Click on the Information from Purchaser to view all the communication including Tendering Text and an attachments to the Bid Invitation

## Process Bid

RFQ: Name AS\_Test Email 2011.05.18 10:59:34 Number 7000001051

Check the information in your bid. You can also add your own notes.

Bid Number	8000000763
Time Zone	EST
End Date	2011.05.31 00:00:00
Opening Date	2011.05.31 00:00:00
End of Binding Period	2011.06.29
Bid Status	
Incoterm / Location	<input type="text"/>  <input type="text"/>
Terms of Payment	<input type="button" value="v"/>
Currency	CAD Canadian Dollar
Created on	2011.05.20 09:29:52 by Ms. Jane Doe
Last processed on	2011.05.20 09:29:52 by Ms. Jane Doe

### 1 Message

 Bid invite sign-up complete,you will be informed of any changes via email

# Entering a Bid

---

- Only RFQs are submitted in the SRM Bidding Engine.
- All other RFx (RFP, RFPQ, RFI, RFT) will be submitted as directed in the individual RFx.

# Entering a Bid

- Select “Create” if you intend to respond to the Bid Invitation
- Clicking on the **Create** button, displays the **Basic Data** within the General Data Tab

## Display RFQ

[Sign Up](#)
[Create](#)
[Hold](#)
[Change](#)
[Refresh](#)
[Output Preview](#)

[Back to Initial Screen](#)

RFQ: Name AS\_Email Test 2011.05.19 08:41:07 Number 7000001055

[General Data](#)
[Item Data](#)

[Basic Data](#)
[Information from Purchaser](#)
[Partner/Delivery Address](#)

Check the information for the bid invitation.

Time Zone	EST
End Date	2011.05.31 00:00:00
Opening Date	2011.05.31 00:00:00
End of Binding Period	2011.07.31
Currency	CAD Canadian Dollar

### 1 Message



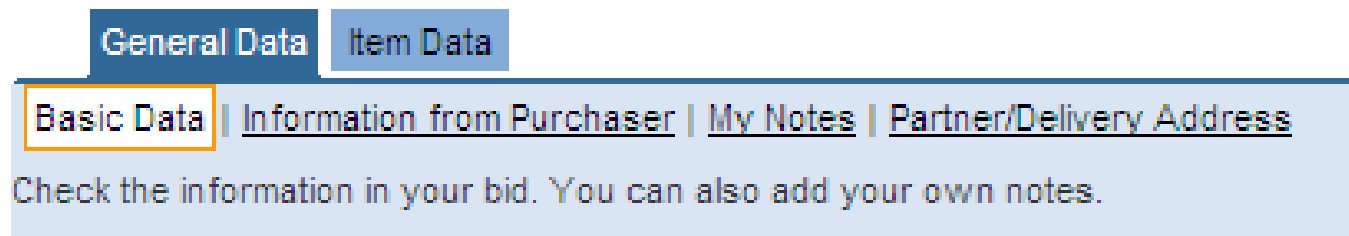
Bid invite sign-up complete, you will be informed of any changes via email

[Close](#)

# General Data

The information on the General Data tab is relevant to the entire bid invitation in regards to:

- Basic Data
- Information From Purchaser
- My Notes
- Partner/Delivery Address





# Item Data

- The information on the Item Data tab is relevant to each item
- Select the item by clicking on the item number to access the Item Data information

## Process Bid

[Submit](#)
[Hold](#)
[Delete](#)
[Check](#)
[Refresh](#)
[Output Preview](#)

[Back to Initial Screen](#)

RFQ: Name AS\_Test Email 2011.05.18 10:59:34 Number 7000001051

[General Data](#)
[Item Data](#)



Tip: (1) You can enter values directly in the tables and press Submit button on the top, or you can go to the details of each item by clicking the item number or detail icon and then submit your bid.  
 (2) You cannot submit bids directly on items with conditional pricing, or items with required attributes.

☐ Display Documents


### Item Overview

► [Find Item](#)

Item	Description	Item Category	Product Category	Submitted Quantity		Price	Delivery ARO. Days	Required	Attachments (buyer/me)	Notes (buyer/me)
1	BR-GASKET FOR CIRCUIT BREAKER	Material	Breaker parts	100.000	each	CAD Per 1		On 2011.06.29	0 / 0	0 / 0

Legend :  Display item details  Change

### 1 Message

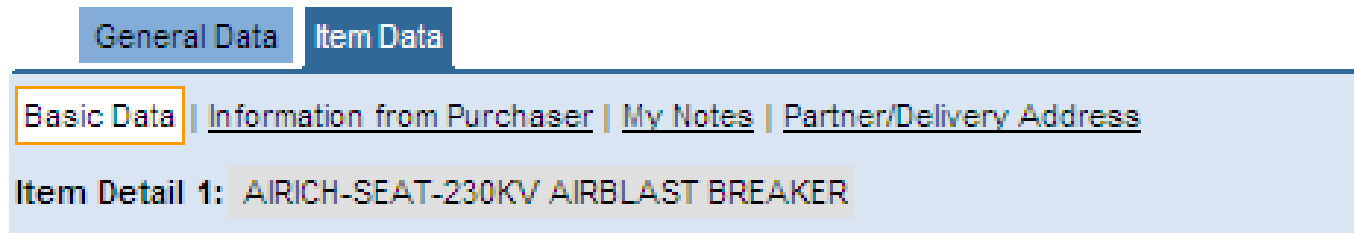
 Bid invite sign-up complete, you will be informed of any changes via email

[Close](#)

# Item Data

The information on the Item Data tab is organized like the information on the General Data tab, but is only relevant to the selected item in regards to:

- Basic Data
- Information From Purchaser
- My Notes
- Partner/Delivery Address



# Entering a Bid – General Data

Complete the following fields at the header level:

Incoterm/ Location	R Required	The INCO Term (International Commercial Terms) designation and the Location pertaining to the INCO Term. Data entered at the header level applies to all individual items in the bid. If the INCO Term is different for an individual item, that term should be entered at the item level
Currency	C Conditional	If the RFx allows different currencies to be used, select the currency for your bid


# Incoterm

If you click on the Incoterm  button, you will be taken to a screen where you can choose the appropriate three-letter trade term

General Data
Item Data

Basic Data
Information from Purchaser
My Notes
Partner/Delivery Address

Check the information in your bid. You can also add your own notes.

Bid Number	8000000768
Time Zone	EST
End Date	2011.05.31 00:00:00
Opening Date	2011.05.31 00:00:00
End of Binding Period	2011.06.30
Bid Status	
Incoterm / Location	<input type="text"/> 
Terms of Payment	<input type="text"/>
Currency	CAD Canadian Dollar
Created on	2011.05.20 13:18:12 by Ms.
Last processed on	2011.05.20 13:18:12 by Ms.

## Search Result Find Incoterms: 13 Entries

Incoterm ▲	Incoterm Name
<a href="#">CFR</a>	Cost and Freight
<a href="#">CIF</a>	Cost, Insurance and Freight
<a href="#">CIP</a>	Carriage and Insurance Paid To
<a href="#">CPT</a>	Carriage Paid To
<a href="#">DAF</a>	Delivered at Frontier
<a href="#">DDP</a>	Delivered Duty Paid
<a href="#">DDU</a>	Delivered Duty Unpaid
<a href="#">DEQ</a>	Delivered Ex Quay (Duty Paid)
<a href="#">DES</a>	Delivered Ex Ship
<a href="#">EXW</a>	Ex Works
<a href="#">FAS</a>	Free Alongside Ship
<a href="#">FCA</a>	Free Carrier
<a href="#">FOB</a>	Free On Board



# Entering a Bid – Information from Purchaser



Selecting the “Information from Purchaser” tab will display the Invitation and / or Addenda and documents Hydro One posts to the RFX pertaining to all items in that Bid Invitation if under General Data tab or to the specific Item of under the Item tab

The screenshot shows a web application interface with the following elements:

- General Data** and **Item Data** tabs at the top.
- Sub-tabs: **Basic Data**, **Information from Purchaser** (selected), **My Notes**, and **Partner/Delivery Address**.
- A message: "Check the information in your bid."
- Texts** section with a prompt: "To Display / Edit the Texts, Choose the Appropriate Text Type".
- Text Overview** section with a table:

Text Type	Text Preview (60 Chars.)
Tendering text	Subject: Invitation Letter Re: Request for Tender: RFT ...
Purchaser's Remarks	DSRDIUYFYIYFIU
Tendering text	Subject: Invitation Letter Re: Request for Tender: RFT Number 70000000450  Description:  This Request for Tender ("RFT") is being issued by Inergi LP on behalf of Hydro One xxxxxxxxxx Inc. Notwithstanding any document to the contrary, Hydro One xxxxxxxxxx Inc. is the sole purchaser with respect to this RFT and any subsequent award; and the equipment and/or material(s) being purchased will be used by Hydro One xxxxxxxxxx Inc. or its affiliates.  Your tender submission, Part 4, is due in possession of the Purchaser no later than the time, date and at the address referenced in the attached RFT.

Below the text overview is an **Attachments** section with the sub-tab **Overview of Attachments**. It contains a table:

	Description	Category	Version	Processor	Typ	File Size (Kb)	Changed By	Changed on
<input type="radio"/>	part 1 - commercial exceptions	Standard Attachment	1		doc	222	E05378	19.01.2011 09:18:50

# Entering a Bid – My Notes

- Bidder can enter any notes/remarks for the buyer in the Bidder's Remarks section as well as attach any documents to the Bid
- Click on **My Notes** from the General Data tab to enter comments in the Bidder's Remarks section regarding the entire bid or the Item Data tab to enter comments regarding a particular item

Item Detail 1: "0" RINGS, RING, ABB A913506P26-Jan31-1

**Texts**

Bidder's Remarks

Please refer to the Technical Specifications and drawings attached

**Attachments**

Upload a Document:

Description: Technical Specifications

Path: \\0706mlp\fv01\E056799\SynchFolder\ Browse...

Add

**Overview of Attachments**

	Description	Category	Version	Processor	Typ	File Size (Kb)	Changed By	Changed on
4	Technical Drawings	Standard Attachment	1		doc	1215	E0001	04.02.2011 13:12:44

Edit Description Delete

Click on the file name to open attachment

# Information From Purchaser – item level

- Click on Information from Purchaser to view all the communication including Tendering Text and any attachments to the Bid Invitation
- Select the Tendering Text button to display the Tendering Text

**Hydro One** [Home](#) | [Help](#) | [Log off](#)

Register Create Hold Change Refresh Output Preview

RFQ: Name AS-Test-Item Long Text- 2011.02.04 13:37 Number 7000000601

General Data **Item Data**

Basic Data Information from Purchaser Partner/Delivery Address [Back](#) [Continue](#) [Back to Item Overview](#)

Item Detail 1: "O" RINGS, RING, ABB A913506P26-Jan31-1

**Texts**

**Tendering text**

Item Text:  
This is PReq Text  
Material Purchase Order Text:  
This is Purchase Order text  
Material 10000160  
Material Basic Text:  
"O" RINGS, RING, ABB A913506P26  
This is basic data text material 10000160  
added to test SR-UT52  
Manufacture Part Number:  
TEST MPN

Area Texts

**Attachments**

Overview of Attachments

	Description	Category	Version	Processor	Typ	File Size (Kb)	Changed By	Changed on
<input type="radio"/>	<b>Technical Specifications</b>	Standard Attachment	1		doc	20	E05378	04.02.2011 12:45:54

# My Notes - Uploading Attachments

Item Detail 1: "O" RINGS, RING, ABB A913506P26-Jan31-1

**Texts**

Bidder's Remarks

Please refer to the Technical Specifications and drawings attached

**Attachments**

Upload a Document:

Description

Path

**Overview of Attachments**


	Description	Category	Version	Processor	Typ	File Size (Kb)	Changed By	Changed on
<input type="radio"/>	Technical Drawings	Standard Attachment	1		doc	1215	E0001	04.02.2011 13:12:44

Click on the file name to open attachment

- Click on **Browse...** to locate the document on your computer.
- Provide the document name in the **Description** section.
- Click **Add** to attach the document to the Bid Invitation.
- Click **Edit Description** to edit the description
- To delete the attachment select the attachment and **Delete**
- The attachment will be listed under the “Overview of Attachments” section.



# Entering a Bid – Item Data

- Clicking on **Item Data**, displays all the line items for the Bid Invitation
- Checking off the Display Documents check box lists any attachments from the buyer to the individual line items. Clicking on the  button displays the Information from Purchaser Tab for the specific line item

## ► Process Bid

[Back to Initial Screen](#)

RFQ: Name AS\_attachment 2011.02.02 14:24:37 Number 7000000589

General Data **Item Data**






Tip: (1) You can enter values directly in the tables and press Submit button on the top, or you can go to the details of each item by clicking the item number or detail icon and then submit your bid.  
 (2) You cannot submit bids directly on items with conditional pricing, or items with required attributes.

☒ Display Documents

Indicates that there are attachments for some line items on the Bid Invitation

### Item Overview

#### ► Find Item

Item	Description	Item Category	Product Category	Submitted Quantity	Attachments (buyer/me)	Notes (buyer/me)	Price	Required	Documents	Action
1	"O" RINGS, RING, ABB AG333800P23	Material	Breaker parts	1.000 each	1 / 0	1 / 0	CAD Per 1	On 28.02.2011		
2	"O" RINGS, RING, ABB AG333800P4	Material	Breaker parts	2.000 each	1 / 0	1 / 0	CAD Per 1	On 28.02.2011		
3	"O" RINGS, RING, ABB AG333800P23	Material	Breaker parts	3.000 each	0 / 0	0 / 0	CAD Per 1	On 28.02.2011		

# Entering a Bid – Item Data

Click on the Line item Number or the Details Icon to display the Item details required to submit the bid

Hydro One
[Home](#) | [Help](#) | [Log off](#)

Process Bid
Submit Hold Delete Check Refresh Upload Output Preview
[Back to Initial Screen](#)

RFQ: Name AS\_TPD\_E05378 2011.01.24 10:32:55 Number 7000000499



General Data Item Data

Tip: (1) You can enter values directly in the tables and press Submit button on the top, or you can go to the details of each item by clicking the item number or detail icon and then submit your bid.  
(2) You cannot submit bids directly on items with conditional pricing, or items with required attributes.



☐ Display Documents

Item Overview

Find Item

Item	Description	Item Category	Product Category	Submitted Quantity	Attachments (buyer/me)	Notes (buyer/me)	Price	Required	Action
1	CHARGER,120VDC,60A,208VAC,3PH, INDOOR	Material	Batteries	11.000 each	0 / 0	0 / 0	CAD Per 1	On 23.02.2011	
2	BKR-BATTERY CHARGER MOD. 5732C3	Material	Batteries	21.000 each	0 / 0	0 / 0	CAD Per 1	On 23.02.2011	

Add Items

Legend :  Display item details  Change price

Tab Page

# Filling in the Item Data Fields

- Some field are required to be filled out in order to submit a bid for an RFQ
- The available fields are explained in the tables to follow

Use	Description
R Required	Field must be completed in order to proceed with the bid
C Conditional	A data element requirement designator, which indicates that the presence of a specified data element is dependent on the value or presence of other data elements in the segment

# Entering a Bid – Item Data Fields

Field Name	Use	Description
Vendor Product Number	Conditional	Description of the Vendor Product Number. Ex. GXD1547
Submitted Quantity	Conditional	Default is the Quantity requesting in the RFx. This should only be changed if the Bidder is proposing a different quantity
Delivery Time (ARO) Days	Required	Lead-time of item or service after receipt of purchase order to delivery date – in calendar days Ex. 15
Incoterm/Location	Conditional	Enter only if differs from the information entered in the Header for changes per item

# Entering a Bid – Item Data Fields

Additionally, the following fields may contain information to assist the Bidder in preparing a Bid or contain information related to the Bid Invitation

Field	Value
Product Category	Describes the category of the product
Qty of Bid Invitation	The Quantity required for the RFx, subject to the terms of the Rfx.



# Line Item Pricing

- Enter the Pricing information for each line item that you are bidding on
- Only enter prices for the line items that are being bid on
- Please note, SAP prepopulates a quantity for each item in the Bid. If you do not want to bid on an item, the quantity must be removed, otherwise you will receive an error message when trying to Submit.
- The bid can not be considered for items that do not have a price entered

**Check that all the relevant data has been entered by hitting the “Check” button**

## Process Bid


Submit Hold Delete **Check** Refresh Output Preview

RFQ: Name E05513 2011.01.31 12:01:46 Number 7000000555

General Data Item Data

Basic Data | Information from Purchaser | My Notes | Partner/Delivery Address

Item Detail 1: BR-KSO-Oil-46KV-800A-1000MVA

Item Category	Material		
Vendor Product Number	<input type="text"/>		
Product Category	Breaker - Oil Filled		
Quantity of Bid Invitation	1.000 each		
Submitted Quantity	<input type="text" value="1.000"/>	each	
Price	<input type="text"/>	Canadian Dollar	Per <input type="text" value="1"/> each
Item Value	0.00 CAD		
Delivery Time (Duration)	<input type="text"/>	Days	
Required	at 00:00:00		
Incoterm	<input type="text"/>		<input type="text"/>

# Warning Message Reminder

## Process Bid

RFQ: Name AS\_TPD\_E05378 2011.01.24 10:32:55 Number 7000000499

General Data Item Data

Basic Data Information from Purchaser My Notes Partner/Delivery Address

Item Detail 2: BKR-BATTERY CHARGER MOD. 5732C3

Item Category	Material
Vendor Product Number	<input type="text"/>
Product Category	Batteries
Quantity of Bid Invitation	21.000 each
Submitted Quantity	21.000 each
Price	<input type="text"/> Canadian Dollar Per 1 each
Item Value	0.00 CAD
Delivery Time (Duration)	<input type="text"/> Days
Required	22.02.2011 at 23:00:00
Incoterm	<input type="text"/>

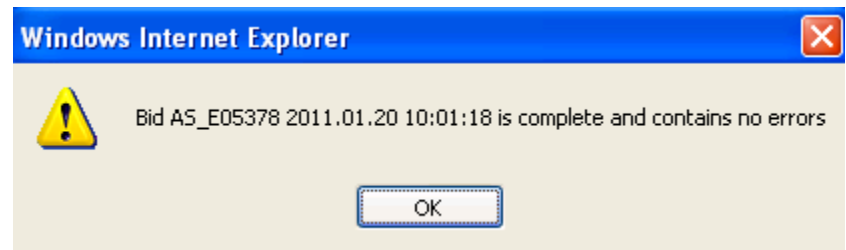
1 Message



No price entered for some items

Close

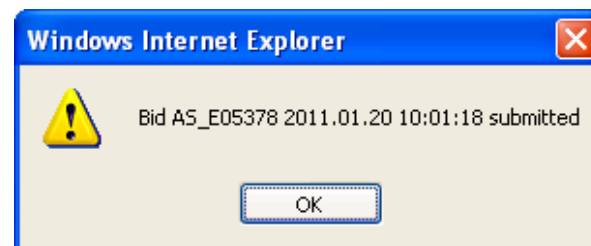
- **Example:** If no price entered for a line item, system will issue a warning message. It is NOT mandatory to bid for all line items on the Bid Invitation.
- Upon clicking the check button if the bid is correct and complete a window populates with the Bid # validating the bid is complete and without errors






# Submit the Bid

When the Bid is ready for submission:

- Click on the **Submit** button to submit the bid. Once the bid is submitted a window will pop up confirming the submission. Select ok.
- The Bid Status will display as “Bid Submitted” in the Process Bid transaction
- **Do not use Submit to Hold Bids.**




[Home](#) | [Help](#) | [Log off](#)



**Process Bids**

Process Bid  
 Process Bidder and Contact Person

**Find Bid Invitations and Auctions**

Number of Document:  → Name:  Status:  Processed by Me:   
 Product Category:  End Date:  All Bids from My Company: ☐  
 [Simple Search](#)

Tip: Choose a symbol in the navigation column or navigate to the bid overview by choosing the bid number

Search Result: 5 Hits

Number	Name	Trans_Type	End Date	Bid Status	Action
7000000407	MPN & SHIP TO ADDRESS	RFQ	2011.04.28 00:00:00	Bid submitted	


# Print Bid

Click on the Output Preview to print or share a PDF copy of the bid  
You can print a bid submission at any time, including after the End Date

**Hydro One** [Home](#) | [Help](#) | [Log off](#)

**Process Bid**

Process Bid  
Process Bidder and Contact Person


[Submit](#) [Hold](#) [Delete](#) [Check](#) [Refresh](#) [Output Preview](#) 

**RFQ: Name** P GROUP DISPLAY FROM EXT. REQ **Number** 7000000406

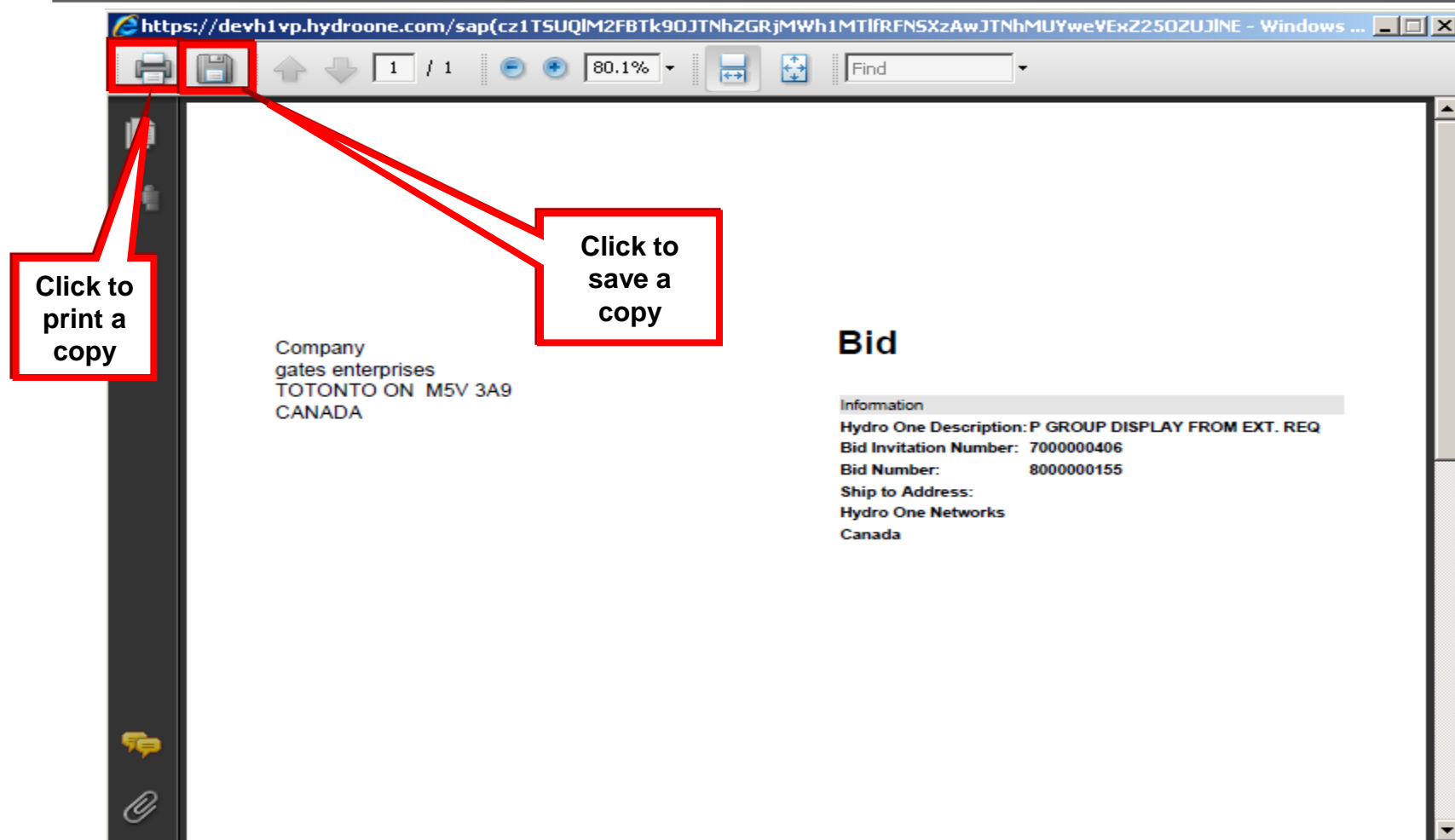
[General Data](#) [Item Data](#)

[Basic Data](#) | [Information from Purchaser](#) | [My Notes](#) | [Partner/Delivery Address](#)

Check the information in your bid. You can also add your own notes.

Bid Number	8000000155
Time Zone	EST
End Date	2011.04.20 00:00:00
Opening Date	2011.04.20 00:00:00
End of Binding Period	2011.06.30
Bid Status	Bid submitted
Incoterm / Location	<input type="text"/>  <input type="text"/>
Terms of Payment	<input type="text"/>

# Print Bid



The screenshot shows a web browser window with the URL `https://devh1vp.hydroone.com/sap(cz1TSUQIM2FBTk90JTNhZGRjMWh1MTIlfRfNSXzAwJTNhMUYweVExZ250ZUJlNE - Windows ...`. The browser's address bar and toolbar are visible. Two red boxes highlight the printer and save icons in the toolbar. Red arrows point from these boxes to callout boxes with the following text:

- Click to print a copy** (pointing to the printer icon)
- Click to save a copy** (pointing to the save icon)

The main content area of the browser displays the following information:


Company  
gates enterprises  
TOTONTO ON M5V 3A9  
CANADA

**Bid**

Information  
Hydro One Description: P GROUP DISPLAY FROM EXT. REQ  
Bid Invitation Number: 7000000406  
Bid Number: 8000000155  
Ship to Address:  
Hydro One Networks  
Canada



# Change Bid

- The Bidder can make changes to the Bid prior to the bid End Date
- From the Process Bid application find the appropriate Bid Invitation and click on the pencil  icon to directly enter into the Change Mode and make required changes to the Bid.

## Process Bids

Find Bid Invitations and Auctions

Number of Document
Name
Status
Processed by Me













Current Bid Invitations

Start
[Extended Search](#)

Click on the pencils to open the bid

Tip: Choose a symbol in the navigation column or navigate to the bid overview by choosing the bid number

Search Result: 25 Hits

Number	Name	Trans. Type	End Date	Bid Status	Action
<a href="#">7000001068</a>	Sample Name Change	RFQ	2011.05.20 15:00:00	No Bid Created	  
<a href="#">7000001067</a>	email cp test	RFQ	2011.05.22 00:00:00	No Bid Created	  
<a href="#">7000001066</a>	AS_Test 2011.05.19 11:11:16	RFQ	2011.05.31 00:00:00	Bid submitted	  
<a href="#">7000001055</a>	AS_Email Test 2011.05.19 08:41:07	RFQ	2011.05.31 00:00:00	No Bid Created	  

# Change Bid Implications

---

- If a bidder clicks to make a change to a bid, and it's put on HOLD, you have effectively withdrawn the previous bid.
- Be mindful that if you do not revisit a HELD bid, and the Bid Invitation closes, you have not submitted.

# Change Bid

Bidder can also click on the bid number itself to enter into the display mode and then click on the change button to make required changes to the Bid

## Process Bids

Find Bid Invitations and Auctions

Number of Document
Name
Status
Processed by Me

Current Bid Invitations

Start
Extended Search


Tip: Choose a symbol in the navigation column or nav
choosing the bid number

Search Result: 25 Hits

Number	Trans. Type	End Date	Bid Status	Action
<a href="#">7000001068</a> Sample Name Change	RFQ	2011.05.20 15:00:00	No Bid Created	
<a href="#">7000001067</a> email up test	RFQ	2011.05.22 00:00:00	No Bid Created	
<a href="#">7000001066</a> AS_Test 2011.05.19 11:11:16	RFQ	2011.05.31 00:00:00	Bid submitted	
<a href="#">7000001055</a> AS_Email Test 2011.05.19 08:41:07	RFQ	2011.05.31 00:00:00	No Bid Created	

Click on the bid number to open the bid

# Change Bid

Bidder can also click on the magnifying glass  icon to enter into the display mode and then click on the change button to make required changes to the Bid

## Process Bids

Find Bid Invitations and Auctions













Number of Document
Name
Status
Processed by Me

Current Bid Invitations

Start
[Extended Search](#)

Tip: Choose a symbol in the navigation column or navigate to the bid overview by choosing the bid number

Search Result: 25 Hits

Number	Name	Trans. Type	End Date	Bid Status	Action
<a href="#">7000001068</a>	Sample Name Change	RFQ	2011.05.20 15:00:00	No Bid Created	  
<a href="#">7000001067</a>	email cp test	RFQ	2011.05.22 00:00:00	No Bid Created	  
<a href="#">7000001066</a>	AS_Test 2011.05.19 11:11:16	RFQ	2011.05.31 00:00:00	Bid submitted	  
<a href="#">7000001055</a>	AS_Email Test 2011.05.19 08:41:07	RFQ	2011.05.31 00:00:00	No Bid Created	  

Click on the magnifying glass to open the bid

# Change Bid

Once in the change mode, it is possible to make the required changes following the procedure outlined

## Display Bid

**Change** Delete Check Refresh Output Preview

RFQ: Name AS\_... 2011.05.19 11:11:16 Number 7000001066

General Data Item Data

Basic Data | Information from Purchase | Notes | Partner/Delivery Address



Check the information in your bid.

Bid Number	8000000768
Time Zone	EST
End Date	2011.05.31 00:00:00
Opening Date	2011.05.31 00:00:00
End of Binding Period	2011.06.30
Bid Status	Bid submitted
Incoterm / Location	DDP toronto
Terms of Payment	10 Days 2.5 %, 30 Days Net
Currency	CAD Canadian Dollar
Created on	2011.05.20 13:18:12 by Ms. Jane Doe
Last processed on	2011.05.20 13:18:12 by Ms. Jane Doe

Click on the Change button to make changes to the bid



# Delete Held Bid

The bidder can delete the Bid anytime before it is submitted. The bid status should not have the status Bid Submitted, in which case the trash can icon  will not be available. Deletion can be done by clicking the trash can  on the appropriate line from the Process Bid transaction

## Process Bids

### Find Bid Invitations and Auctions
















Number of Document  Name  Status  Processed by Me

[Extended Search](#)

Click on the trash can to delete the bid

Tip: Choose a symbol in the navigation column or navigate to the bid overview by choosing the bid number

Search Result: 25 Hits

Number	Name	Trans. Type	End Date	Bid Status	ation
<a href="#">7000001068</a>	Sample Name Change	RFQ	2011.05.20 15:00:00	No Bid Created	  
<a href="#">7000001067</a>	email cp test	RFQ	2011.05.22 00:00:00	No Bid Created	  
<a href="#">7000001066</a>	AS_Test 2011.05.19 11:11:16	RFQ	2011.05.31 00:00:00	Bid submitted	  
<a href="#">7000001055</a>	AS_Email Test 2011.05.19 08:41:07	RFQ	2011.05.31 00:00:00	Held	  
<a href="#">7000001054</a>	Henry Test email 2011.05.18 17:19:48	RFQ	2011.05.31 00:00:00	No Bid Created	  

# Delete Held Bid



## Process Bid

RFQ: Name E05378 2011.01.24 13:12:16 Number 7000000500

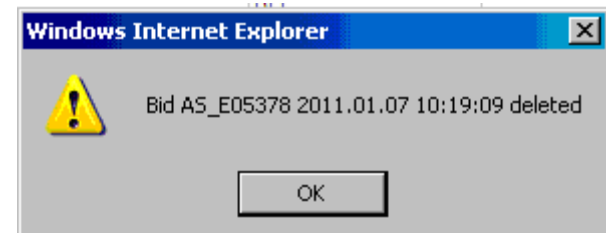
General Data Item Data

[Basic Data](#) | 
 [Information from Purchaser](#) | 
 [My Notes](#) | 
 [Partner/Delivery Address](#)

Check the information in your bid. You can also add your own notes.

Bid Number	8000000268
Time Zone	EST
End Date	24.01.2011 16:00:00
Bid Status	Held
Incoterm / Location	FOB  PLANT
Terms of Payment	30 Days Net 
Currency	CAD Canadian Dollar
Created on	24.01.2011 13:20:41 by Mr. doo waah

- The Bid Invitation can also be deleted by clicking on the button in the mode from within the Bid itself
- If a bid is held, you must click on the  button so that you can hit the  button
- Once deleted, a window will pop up confirming the deletion



# Status Implications on Submitting Bids

---



- If a Bid is in Held status and the Bid Invitation End Date is reached no Bid is submitted.
- While making a change to a previously submitted Bid and if the Bid Invitation End Date is reached the previously submitted bid is still valid.
- Changing a Bid and Submitting overwrites the previously submitted Bid.
- If a previously submitted Bid is changed and in Held status no Bid is submitted. The act of changing and Holding a previously Submitted bid **WITHDRAWS** the last submitted Bid.

## Part 6B – Attachment #3

### INTENTION TO SUBMIT PROPOSAL FORM DOCUMENT NUMBER RFP SCY-7000003720

#### DESCRIPTION: PROVISION OF SERVICES

Receipt of the subject Request for Proposal is hereby acknowledged with the following comments: **(Put an "X" mark in the appropriate space below.)**

<b>YES</b> - We <u><b>will</b></u> submit a Proposal before the due date & time		<b>NO</b> - We <u><b>decline</b></u> to submit a Proposal	
---	--	---	--

We **decline** for the following reasons(s):

**Answer:**

**NOTE:** In the event you advise Purchaser that you are unable to submit, or do not wish to submit (decline), no further correspondence, including addenda and/or notification of extensions or changes to the deadline for submission date and time, relating to this RFP will be forwarded to you.

---

Addenda to this Request for Proposal should be sent to:

Attention:

---

Primary contact name and title

Company:

---

Proponent's full legal name

Address:

---

Full address

Tel. No:

Facsimile No:

---

(Include area code)

E-mail address:

---

**Please return via e-mail to the Buyer at [yvette.bryck@hydroone.com](mailto:yvette.bryck@hydroone.com)**

**INSTRUCTIONS FOR COMPLETING QUESTIONNAIRE**
**ALL CONTRACTORS:**

- **Complete Sections A – H if your company has not completed the evaluation process.**
- **Complete Sections A, C, D & I if your company has already completed the evaluation process.**

**A. General Information**

Provide the information requested including the number of employees in your company.

**B. Safety & Environment Organization**

Describe briefly your safety and environment organization and provide contact information.

**C. Safety & Environment Performance**

Provide information on any fatalities or convictions that your company has had in the last 3 years.

**D. WSIB Rating**

Depending on your company size, check the appropriate WSIB program and insert your current performance index. As well attach a copy of your most recent cost summary statement from the WSIB. For MAP rated companies - If you do not have an MAP rating provide your WSIB cost statement.

If your company is in a surcharge position, Hydro One will request details of incident(s) and actions you have taken to prevent future incidents.

To validate your current WSIB coverage, include a CLEAN copy of your current WSIB Clearance Certificate.

If your company has purchased optional insurance coverage from WSIB, please indicate.

If your company has undergone a Workwell Audit in the last three years provide an overview of the results.

**E. Health & Safety Legislation**

Indicate your familiarization with the Occupational Health & Safety Act and the Construction Projects and/or Industrial Establishments Regulations.

**F. Safety & Environment Program**

Indicate whether you have a health & safety policy in place and include a copy with your completed questionnaire. **Hydro One requires all its contractors to have a health & safety policy.** Information on health & safety policies is available from the Ministry of Labour website: [http://www.gov.on.ca/LAB/english/hs/ohsaguide/ohsag\\_appa.html](http://www.gov.on.ca/LAB/english/hs/ohsaguide/ohsag_appa.html). Assistance in developing a health & safety policy can also be obtained from safe work associations such as: Construction Safety Association; Industrial Accident Prevention Association; Electrical & Utilities Safety Association for help in preparing a policy. Environment policy and program development can be obtained using the ISO 14001 standards (Environment Management Systems). It is expected that you will have a documented Safety and Environment program; please provide the information requested.

**Note:** If contract is for provision of equipment, Hydro will require safety certification confirmation. Where an operator is provided for such equipment, proof of qualification (crane operator) will be required.

**G. Safety & Environment Training**

Provide information on the general health and safety training that you provide to your employees (newly hired employees as well as regular employees) as well as any specialized training provided. Hydro One also wants information on training that you provide to your supervisors.

**H. Individual to Contact**

Provide your company contact details, if there is a need to contact you for clarification on any of your responses

**I. Previously Qualified Contractors**

If your company is in year 2 or 3 of your contract with Hydro One, complete Section A, C, D and I of the questionnaire.



<b>A. General Information - – Note: Previously Qualified Contractors must complete Part A, C, D and Part I</b>	
Contract:	Tendering Document #:
Company:	Number of Employees:
Company Address:	Will you subcontract any of the service being requested? <input type="checkbox"/> YES <input type="checkbox"/> NO   If yes, which services and to whom?:
<b>B. Safety &amp; Environment Organization</b>	
Describe briefly your organizational structure to manage safety and environment:	
Do you belong to a WSIB "Safe Community" or other similar organization? <input type="checkbox"/> YES <input type="checkbox"/> NO If YES describe below:	
Safety Contact:	Phone:
Environment Contact:	Phone:
<b>C. Safety &amp; Environment Performance (zero fatalities &amp; convictions <i>mandatory</i>) – Note: Previously Qualified Contractors must complete Part A, C, D and Part I</b>	
Have you had any fatalities in the last 3 years?	<input type="checkbox"/> YES <input type="checkbox"/> NO
Have you had any convictions, in the last 3 years, from : <ul style="list-style-type: none"> <li>Ministry of Labour</li> <li>Ministry of the Environment</li> <li>Ministry of Natural Resources</li> <li>Technical Standards &amp; Safety Authority (TSSA)</li> </ul>	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> YES <input type="checkbox"/> NO
<b>D. WSIB Rating (<i>mandatory</i>)</b> (Include a copy of your most recent MAP, NEER or CAD-7 Summary Statement and a <b>CLEAN COPY</b> of your WSIB Clearance Certificate ( <i>mandatory</i> )) - – <b>Note: Previously Qualified Contractors must complete Part A, C, D and Part I</b>	
<input type="checkbox"/> MAP	Individual Merit Adjustment: <input type="checkbox"/> Attach most recent MAP Rate Statement
<input type="checkbox"/> NEER	Index: <input type="checkbox"/> Attach most recent NEER Rate Statement
<input type="checkbox"/> CAD-7	Index: <input type="checkbox"/> Attach most recent CAD-7 Rate Statement
<input type="checkbox"/> Schedule 2	<input type="checkbox"/> Attach Proof of Good Standing
<input type="checkbox"/> NO WSIB Coverage	<input type="checkbox"/> Attach completed WSIB Independent Operator Questionnaire <a href="http://www.wsib.on.ca/wsib/wsibsite.nsf/LookupFiles/DownloadableFileIndependentOperator/\$File/1158.pdf">http://www.wsib.on.ca/wsib/wsibsite.nsf/LookupFiles/DownloadableFileIndependentOperator/\$File/1158.pdf</a>

Has your company purchased insurance coverage from WSIB? ☐ YES ☐ NO  
Attached most recent MAP, NEER or CAD-7 Summary Statement & WSIB Clearance Cert. ☐ YES ☐ NO

**NOTE:** Hydro One requires all of its contractors, including those deemed Independent Operators by WSIB, to obtain WSIB insurance coverage. This Hydro One requirement applies even though WSIB indicates the purchase of WSIB insurance is "optional" for Independent Operators.

Have you undergone a Workwell Audit in the past three years? ☐ YES ☐ NO  
If yes, provide details and results.

### **E. Health & Safety Legislation**

Are you familiar with the Ontario <i>Occupational Health &amp; Safety Act</i> ?	<input type="checkbox"/> YES <input type="checkbox"/> NO
Are you familiar with the Construction Projects and/or Industrial Establishments Regulations?	<input type="checkbox"/> YES <input type="checkbox"/> NO
Do you make copies available to your employees?	<input type="checkbox"/> YES <input type="checkbox"/> NO

### **F. Safety & Environment Program (mandatory)**

Do you have a written Health & Safety Policy? (this is a mandatory requirement)	<input type="checkbox"/> YES <input type="checkbox"/> NO
If YES, is a copy attached?	<input type="checkbox"/> YES <input type="checkbox"/> NO
Do you have a written Environment Policy?	<input type="checkbox"/> YES <input type="checkbox"/> NO
If YES, is a copy attached?	<input type="checkbox"/> YES <input type="checkbox"/> NO

Do you have a safety & environment program? Note: this is **mandatory** ☐ YES ☐ NO

Is table of contents from your program attached? ☐ YES ☐ NO

**OR** Indicate below what the program addresses (*check those that apply*)

- ☐ Management commitment and expectations
- ☐ Accountabilities & responsibilities
- ☐ Legal and other requirements
- ☐ Contractor Selection & Management
- ☐ Contractor Management
- ☐ Hazard recognition
- ☐ Incident/Accident reporting
- ☐ Incident/Accident investigation
- ☐ Emergency preparedness
- ☐ Training and awareness
- ☐ Equipment Lockout/Tagout (Work Protection)
- ☐ Equipment Safety Certification
- ☐ Personal protective equipment
- ☐ WHMIS
- ☐ Housekeeping
- ☐ Joint Health & Safety Committees or Representatives
- ☐ Workplace inspections/Audits
- ☐ Environmental Protection
- ☐ Waste management
- ☐ Spills
- ☐ Hazardous materials management
- ☐ Other: Specify: \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

If you do not have a written program, answer the following questions:

Do your supervisors review hazards and safe work procedures with employees?	<input type="checkbox"/> YES <input type="checkbox"/> NO
Do you provide your employees with safety training?	<input type="checkbox"/> YES <input type="checkbox"/> NO
Do you require employees to report incidents?	<input type="checkbox"/> YES <input type="checkbox"/> NO
Do you provide direction on emergency response?	<input type="checkbox"/> YES <input type="checkbox"/> NO

**Equipment**

Does the work include provision of equipment? ☐ YES ☐ NO

If yes, do you have:

Safety Certification for each piece of equipment (**mandatory**)? ☐ YES ☐ NO

Does the work include provision of an equipment operator? ☐ YES ☐ NO

If yes, is the Operator :

A Licenced Operator (**mandatory**)? ☐ YES ☐ NO

Do you hold safety meetings with your employees? ☐ YES ☐ NO

If NO, briefly describe how you communicate safety information to your employees:

**G. Safety & Environment Training (*mandatory*)**

Do you provide safety and environment orientation for your new hires? ☐ YES ☐ NO

Does the orientation cover: (*check those that apply*)

- ☐ Environmental protection
- ☐ Emergency procedures (including spills response)
- ☐ Incident/Injury reporting & investigation
- ☐ Safe work practices
- ☐ Relevant legislation
- ☐ WHMIS
- ☐ Defensive driving
- ☐ Use of personal protective equipment

Do you have a safety training program for supervisors? ☐ YES ☐ NO

Does the program include a review of:

- ☐ Relevant legislation
- ☐ Incident reporting & Investigation
- ☐ Workplace inspections/audits

Do you provide specialized training for your employees? ☐ YES ☐ NO

If yes, what does this include? (*check those that apply*)

- ☐ Driver training
- ☐ First Aid Training
- ☐ Equipment Operation
- ☐ Electrical Safety
- ☐ WHMIS
- ☐ Confined Space
- ☐ Fall protection & Working at heights
- ☐ Hoisting & Rigging

Do you have safety & environment training records available for each employee?

☐ YES ☐ NO

**H. Individual to contact for clarification or further information:**

Name:	Phone:
Title:	Fax:

**I. For Previously Qualified Contractors (*Note – must also complete Part A, C and D of the Questionnaire*)**

Has your company undergone any significant changes over the past year including changes in management, services offered, policy or programs?

☐ YES

☐ NO

If you answered **YES**, indicate what changes have occurred below (or on a separate page).

If the changes have affected your previous workplace health & safety practices or program, re-submit the documentation in Sections A – H of this form.

If you answered **NO** above complete the following

We hereby guarantee that our operations and practices regarding workplace health and safety have not changed since our last submission. We agree to notify Hydro One of any changes that may impact our standing regarding our health and safety performance or practices as soon as possible.

Company Representative:

Date:



## Part 6A – Attachment #5

### SUPPLEMENTARY VENDOR QUESTIONNAIRE

RFP NUMBER 7000003720

Have you provided your company's last two sets of Financial Statements prepared by an external accountant and Annual Reports (if any)?

YES		NO	
-----	--	----	--

**Attached as Appendix #** to our submission. **(Fill in the blank.)**

#### **For Companies That Intend to Make a Bid as Part of a Joint Venture:**

Date of commencement of joint venture.

Provide all of the following information for each Company that is a member of the joint venture that expects to bid on one or more projects:

Name of Company	% Ownership of Joint Venture

#### **History of the Business and Organizational Performance**

Describe how your company is owned and financed. Describe any extended financial relationships, such as parent company, etc.

ANSWER:

Has there been any change in ownership of the Company at any time during the last three years?

**NOTE: A corporation whose shares are publicly traded is not required to answer this question.**

☐ Yes      ☐ No

If "yes," explain:

Is the Company a subsidiary, parent, holding company or affiliate of another Company?

**NOTE: Include information about other Companies if one Company owns 50 per cent or more of another, or if an officer of your Company holds a similar position in another Company.**

☐ Yes      ☐ No

If “yes,” explain:

Are any corporate officers connected to any other Companies?

**NOTE: Include information about other Companies if an officer of your Company holds a similar position in another Company.**

☐ Yes      ☐ No

If “yes,” explain:

Has any officer of your Company operated a Company under any other name in the last five years?

☐ Yes      ☐ No

If “yes,” explain, including the reason for the change:

### **Disclosure of Acquisition/Merger**

Provide information concerning any plans or discussions of acquisition or merger affecting your company's ownership.

**ANSWER:**

### **Litigation**

Provide a listing of any pending claims, lawsuits and/or judgments against your company or affiliates.

For any litigation involving a third party in which non-performance of contractual obligations was in issue, please provide copy of any such claim, and a copy of the outcome of the legal proceeding such as judgment, order, or settlement document.

**ANSWER:**

## **Attachment I to Schedule 14.5**

### **Form of Termination Transition Plan**

#### **Proponent Guidelines**

This Exhibit of the RFP contains specific information supplied by Hydro One for the Proponent's use when responding to the RFP.

#### **Proponent Instructions**

Refer to Section 4A of the RFP document.

### **1.0 GENERAL**

*This section shall outline the elements of the Termination Transition plan that are common to all SOWs .*

#### **1.1 Organization Structure**

- *Overall “Prime” responsibility for termination transition program (i.e. each of Client, Supplier, and, as or when applicable, the Successor Supplier(s) will appoint a “Transition Manager”).*
- *Tasks and activities to establish staff and maintain a Program Office.*
- *Roles within the Program Office.*
- *Supplier's responsibilities during each phase ( planning, execution, post transition support) of the Termination Transition lifecycle*
- *Responsibilities of the Program Office. These would include such responsibilities as:*
  - *Determine and finalize project structure*
  - *Assign responsibilities for projects*
  - *Determine required incremental resources for program and project management and support*
  - *Manage execution activity*
  - *Manage escalations*
  - *Reporting*
  - *Validate project completion, and solicit approvals*
  - *Validate program completion, and solicit approval*
- *Relationship between the Program Office and the ongoing service/sustainment organizations.*
- *Transition Governance (e.g., Sign-off and acceptance authorities, service request process, resource request process, decision authorities).*

## **1.2 Program and Project Structure**

*To address:*

- *Key steps, shown in a critical path, including:*
  - *Activation of the Termination Transition Plan*
  - *Major project phases*
  - *Shut-down of the Program Office at the end of transition*
- *Approach for:*
  - *Defining, approving, and monitoring of separate, chargeable Transition services*
  - *Defining, approving, and monitoring the ramp-down of baseline, Run-The-Business service fees as they are transitioned to the Successor Supplier or Client and approach zero*
  - *Changes to SLAs through transition*
  - *Change management and system changes through the transition*
  - *Assuring Business Continuity and Disaster Recovery through the transition*
  - *Interim procedures during Transition for approvals related to the purchase of assets and implementation (or transition) of proprietary tools*
  - *Transition staffing procedures including hiring, firing, retiring and retention of key employees, relative to the Collective Bargaining Agreements*
  - *Knowledge Transfer. This includes the documentation and a training approach along with applicable job shadowing process for Successor Supplier with Supplier. The approach would be finalized after the Successor Supplier is selected. The Knowledge Transfer is included in the detailed Scope of Effort by task, including, but not limited to:*
    - *Due diligence by Successor Supplier*
    - *Client review of current processes*
    - *Identify training methodology (e.g. direct training vs. “train the trainer”) for each process and sub-process.*
    - *Create training material, prepare sign-off documentation and identify training resources*
    - *Document management toll gates should be established throughout the knowledge transfer process to assess the readiness at each stage.*
  - *Defining the Repository of Materials, highlighting existing information sources, and incremental sources required*
  - *Base lining tasks and activities may be required if data sources are missing, or deemed insufficiently accurate.*

## **X.0 Transition Plan Particulars – XX Statement of Work**

*One section shall be prepared by Supplier for each Statement of Work:*

*Each section shall address Inputs and Information requirements that Supplier shall make available to Client.*

## X.1 Transition Plan Inputs

Item	Description
Workload Migration Strategy & Plan	<ul style="list-style-type: none"> <li>• Provide a recommended detailed strategy and approach for migrating the Workload for each SOW</li> <li>• Provide a preliminary outline of the Workload Migration activities that includes sequencing, dependencies and any constraints to assist Hydro One in developing the Termination Transition Plan.</li> <li>• Provide a preliminary outline of the ramp down of the workload as the SOW services are transitioned. This is an aid in determining the ramp down of fees for services.</li> </ul> <p><i>Deliverable: SOW Workload Migration Strategy and Workload Migration Activities</i></p>
Service Transition Migration Strategy & Plan	<ul style="list-style-type: none"> <li>• Provide a recommended detailed strategy and approach for migrating Services within and across SOWs as appropriate</li> <li>• Provide a preliminary outline of the Services Migration activities that includes sequencing, dependencies and any constraints to assist Hydro One in developing the Termination Transition Plan.</li> <li>• Provide an outline of the transition conditions and or events that represent the demarcation points between Supplier terminating delivery of service and Hydro One or a designate assuming responsibility for delivery of service.</li> </ul> <p><i>Deliverable: Services Migration Strategy and Plan</i></p>
Knowledge Transfer Strategy and Plan	<ul style="list-style-type: none"> <li>• Provide a recommended detailed strategy and approach for transferring knowledge (e.g., by service, by function, by process)</li> <li>• Provide a preliminary outline of the Knowledge Transfer activities that includes sequencing, dependencies, completion and acceptance criteria and any constraints to assist Hydro One in developing the Termination Transition Plan.</li> </ul> <p><i>Deliverable: Knowledge Transfer Strategy and Plan</i></p>
Termination Transition Responsibility Matrix	<ul style="list-style-type: none"> <li>• Provide a recommended detailed Transition Responsibility Matrix that identifies the primary responsibilities of each party during Termination Transition</li> </ul> <p><i>Deliverable: Termination Transition Responsibility Matrix</i></p>
Historical Data Transfer Process	<ul style="list-style-type: none"> <li>• Provide recommended detailed approach and plan for transferring Historical Data residing in Supplier owned assets</li> <li>• Provide a description of the audit method to be used to confirm the Historical Data transferred properly</li> </ul> <p><i>Deliverable: Historical Data Transfer Approach, Plan and audit method</i></p>
Transition Risk Assessment and Mitigation Strategies	<ul style="list-style-type: none"> <li>• Provide a recommended detailed Risk Assessment including anticipated risks and mitigation strategies. (see template)</li> </ul> <p><i>Deliverable: Transition Risks and Migration Strategies</i></p>

Item	Description
Supplier Termination Transition Project Organization, Resourcing and Transition Lifecycle Support	<ul style="list-style-type: none"> <li>• Provide the Supplier transition project organization structure including key individuals, roles and responsibilities</li> <li>• Provide a detailed description of how Supplier will staff and provide SME's for the transition project including backfilling for ongoing Services</li> <li>• Provide a detailed description of how Supplier will support Hydro One during the transition phases: <ul style="list-style-type: none"> <li>– Pre-transition planning and program organization</li> <li>– Transition Execution</li> <li>– Post transition support (all SOWs)</li> </ul> </li> </ul> <p><i>Deliverable: Transition Project Organization &amp; Roles and Responsibilities, Transition Project Resourcing and Transition Lifecycle Support</i></p>
Physical & Logical Security & Access during Transition	<ul style="list-style-type: none"> <li>• Provide recommended detailed strategy and approach for handling physical/logical security and access (e.g., facilities, systems, databases, networks, documentation) for the Hydro One team and /or designate team during the transition planning and execution phases. Identify any constraints or limitations.</li> <li>• Provide the procedures for establishing the security Id's, access rights and access to facilities.</li> </ul> <p><i>Deliverable: Transition Security &amp; Access Strategy, Transition Security and Access Procedures</i></p>



## X.2 Transition Key Information Requirements

Item	Information Required
Assets	<ul style="list-style-type: none"> <li>• Provide detailed asset information including but not limited to: <ul style="list-style-type: none"> <li>– Detailed information on all Hydro One assets (e.g., hardware, software, licenses). Including the location of the asset.</li> <li>– Detailed asset inventory data (e.g., hardware, software, licenses) including status (e.g., on order, received/not installed, installed, not in use, on loan)</li> <li>– Detailed information on Hydro One applications</li> <li>– Detailed information on all Supplier assets (e.g., hardware, software, licenses) utilized in the delivery of services under the Agreement</li> <li>– Supplier assets not available for transfer</li> <li>– Supplier assets available for transfer</li> <li>– Supplier software tools not available for transfer</li> <li>– Supplier software tools available for transfer</li> <li>– Supplier lease information (e.g., facilities, equipment)</li> <li>– Supplier leases not available for transfer</li> <li>– Supplier leases available for transfer</li> <li>– Hardware and equipment spares inventory and information by location</li> <li>– Detailed information on all external system/application interfaces include key support contact information</li> <li>– Consumable supplies inventories and location</li> <li>– Diagnostic and test equipment information (e.g., hardware, software, application, network)</li> <li>– Stranded assets</li> <li>– Test scripts and procedures</li> <li>– Planned and anticipated patches required for (systems, applications, software, hardware)</li> <li>– Configuration information (e.g., systems, hardware, software, devices, appliances)</li> <li>– Detailed environments information (e.g., development, UAT, production)</li> <li>– Architectural documents</li> <li>– Volumetric information</li> <li>– Help desk knowledge repository data/information</li> </ul> </li> </ul>
Contract and Agreements	<ul style="list-style-type: none"> <li>• Provide detailed information on all Contracts and Agreements including but not limited to: <ul style="list-style-type: none"> <li>– Third Party Contract information including VPA's and any contingent liabilities</li> <li>– Third Party arrangements or service agreements information (e.g., off-site storage, disaster recovery)</li> <li>– Third Party key contact information (e.g., named individuals, address, phone, email)</li> <li>– Contracts to be: assigned, assumed, retained, or replaced/terminated</li> <li>– Sub contractor services</li> <li>– Proration of pre-paid contracts</li> </ul> </li> </ul>

Maintenance and Warranties	<ul style="list-style-type: none"> <li>• Provide detailed information on all maintenance and warranties including but not limited to: <ul style="list-style-type: none"> <li>– Detailed maintenance information (e.g., type of maintenance, expiration date, vendor providing maintenance)</li> <li>– Assets not covered by maintenance and an explanation of why their not covered</li> <li>– Detailed warranty information (e.g., type of warranty, what 's covered, expiration date, vendor providing warranty)</li> </ul> </li> <li>• Provide detailed information on all time and material support arrangements with any Third parties including but not limited to: <ul style="list-style-type: none"> <li>– Third Party key contact information (e.g., named individuals, address, phone, email)</li> <li>– Support arrangements (e.g., response times, locations) and rates for support services</li> </ul> </li> </ul>
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Item	Information Required
Processes, Procedures & Policies	<ul style="list-style-type: none"> <li>• Provide detailed process and procedures information including but not limited to: <ul style="list-style-type: none"> <li>– Detailed current operating procedure manual (OPM)</li> <li>– Supplier’s participation in Client’s Business continuity plans</li> <li>– Disaster Recovery plans and policies, including invocation and stand down procedures</li> <li>– Support process documentation (e.g., incident, problem, configuration)</li> <li>– Service process documentation (e.g., service requests, IMAC’s, project requests, change requests)</li> <li>– Help desk procedures/process flow, with emphasis on operational interfaces between the help desk, Hydro One, Supplier, and third party resolver queues, statusing, escalation, and level 2/3 support</li> <li>– Systems management control procedures</li> <li>– Security and access control policies and procedures, access rights</li> <li>– Business cycles, seasonality considerations, and blackout periods</li> <li>– Governance process documentation</li> <li>– Unresolved problems and workarounds</li> <li>– Supplier business process</li> <li>– Hydro One escalation procedures and contact points</li> <li>– Process dependencies information including any dependencies on other SOWs</li> <li>– Client interface points</li> <li>– Process cycle time</li> <li>– Supplier authorities</li> <li>– Commercial process measures</li> <li>– Standards followed</li> <li>– Policies, regulations, laws where compliance is required</li> <li>– Job schedules (e.g., batch and online, automated and manual)</li> </ul> </li> <li>• Provide detailed information on the demarcation points between Supplier and Hydro One related to the services including: <ul style="list-style-type: none"> <li>– What is Supplier accountable for and what is Hydro One accountable for?</li> <li>– What is Supplier responsible for?</li> <li>– What is Hydro One responsible for?</li> </ul> </li> </ul>
Reports	<ul style="list-style-type: none"> <li>• Provide detailed information (e.g., report sample, purpose, method of delivery, distribution, repository and access) on all reports (current and historical)</li> </ul>

Item	Information Required
Projects	<ul style="list-style-type: none"> <li>• Provide detailed project information including but not limited to:               <ul style="list-style-type: none"> <li>– Backlog of projects and forecasted projects</li> <li>– In-flight projects separated by type (e.g., infrastructure) including project plans, project approval status, project requested date, requestor, required completion date, project estimates/pricing (approved and not approved), project &amp; deliverable status</li> <li>– Historical project information – average number and size of new projects requested on a quarterly basis in the past 2 years and in the next 12 months</li> </ul> </li> </ul>



**HYDRO ONE**  
**REQUEST FOR PROPOSAL**  
**ATTACHMENT I**  
**TO**  
**SCHEDULE 16.1**  
**BUNDLE DISCOUNT**

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Refer to Section 4A of the RFP document.



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## 1.0 BUNDLE DISCOUNT

1. Supplier shall provide pricing at the domain such that each domain pricing stands on its own. Any efficiency that the supplier is able to achieve through being awarded multiple domains is to be articulated below through a bundle discount
2. The bundle discount will apply to the sum of all Charges across all Statements of Work under the Agreement, excluding Taxes and Pass-Through Expenses, for a Calendar year (the “**Client Calendar Year Charges**”).
3. Supplier shall indicate the percentage discount that will apply to their charges when more than one domain is awarded.
4. The Parties shall agree to incorporate the discount into the domain level pricing prior to contract finalization

Charges during Calendar Year (\$ in thousands, excluding Taxes and Pass-Through)		Calendar Year 1	Calendar Year 2	Calendar Year 3	Calendar Year 4	Calendar Year 5
From	To	Bundle Discount %	Bundle Discount %	Bundle Discount %	Bundle Discount %	Bundle Discount %

For example, if the charges for work in Calendar Year 1 were \$85 million, the Supplier will apply a credit equal to \$3.85 million to the domain pricing for Calendar Year 1. The following shows how the bundle discount amount for Calendar Year 1 is calculated:

**Example Calendar Year 1:**

(All Dollar amounts shown in thousands)				
Charges amount (excluding Taxes and Pass-Through) during Calendar Year		Calendar Year 1	Calendar Year 1	Calendar Year 1
From	To	Bundle Discount %	Charges Amount	Discount Amount
\$0	\$15,000	0.00%	\$15,000	\$0
\$15,001	\$40,000	5.00%	\$40,000	\$2,000
\$40,001	\$65,000	6.00%	\$25,000	\$1,500
\$65,001	\$90,000	7.00%	\$5,000	\$350
\$90,001	\$115,000	8.00%	\$0	\$0
		Totals:	\$85,000	\$3,850



**HYDRO ONE**  
**REQUEST FOR PROPOSAL**  
**ATTACHMENT I TO SCHEDULE 3.1(B)**  
**SUPPLIER TRANSITION PLAN DESCRIPTION**

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## 1.0 TRANSITION PLAN DESCRIPTION

As part of the RFP Response, Supplier will draft a Transition Plan Description following the guidelines in this Attachment and using the paragraph styles and formatting of this template MS Word document. This draft Transition Plan Description will form the basis of further evaluation and discussion regarding Supplier's approach and commercial proposition related to Transition and will become part of the Agreement prior to the Effective Date.

### 1.1 Outline

The **Transition Plan Description** will include a description of the following elements (in the order deemed appropriate by Supplier):

1. Supplier's overall methodology and approach to complete the Transition.
2. The Transition Services to be performed by Supplier using the Supplier methodology.
3. The major Deliverables that the Supplier will present to Client for acceptance, both as required by Client in the SOW and necessary for the effective transfer of each function, including:
  - 3.1. The dates by which each critical Transition Service activity is to have been performed or each Deliverable is to be delivered – the Transition Milestones (in reference to the Effective Date and Commencement Date).
  - 3.2. A Gantt chart or similar representation reflecting a high-level overview of the Supplier Transition Project Plan. As part of the RFP Response, Supplier will draft and present to Client a plan describing the activities, due dates, resources, interdependencies, and other characteristics necessary for Client to evaluate the merit and efficacy of the plan.
  - 3.3. A process and set of standards acceptable to Client to which Supplier will adhere in the performance of the Transition Services and that will enable Client to determine whether Supplier has successfully completed the Transition Services and provided the Deliverables associated with the Transition Services in accordance with the Acceptance criteria specified in the Transition Plan.
  - 3.4. For each major Deliverable, a description of the manner in which the Supplier will work with Client or existing Third-Party Vendors(s) to facilitate seamless transfer of the Service (and clearly identify the risks it envisages and how its solution and approach mitigates the impact of these risks).
4. The roles and responsibilities of the Parties during the Transition Period such that:

- 4.1. For all tasks for which Supplier identifies as Client responsibilities, Supplier will describe the level of Client effort anticipated, including an estimate of resources needed (number of hours, by skill, by activity, and by month).
- 4.2. Supplier will describe the space required within Client facilities, by Client premise location, including the number of desks, conference rooms, any special requirements, subject to Client's facility requirements.
- 4.3. The Transition Plan shall explicitly make reference to any intended Supplier use of any Client software, including anticipated seat usage volumes and integration activities. In the case of any required integration between Supplier and Client systems, the Transition Plan shall be explicit with regard to the cost of such integration effort and the anticipated support, involvement, and costs expected to be provided from Client.
5. Description of Supplier software and "tools" to be deployed by Supplier to provide the Service, including any data loading or data migration activities required.
6. The Security, Service continuity, recovery and contingency plan considerations, activities and Supplier commitments during Transition.
7. Supplier's description of how to handle insufficient documentation (e.g., process, procedures, work instructions).
8. Provisions concerning the oversight of the Transition processes to follow or supplement and enhance those found in Schedule 9.1 (Governance) and Schedule 3.1(B) Transition Plan.
9. Supplier's description of how Connectivity will be established between Client premises and Supplier premises as required for steady state operation, and the tasks which Supplier expects Client to perform in order to establish same.



**HYDRO ONE**  
**REQUEST FOR PROPOSAL**  
**ATTACHMENT I**  
**TO**  
**SCHEDULE 3.1(C)**  
**SUPPLIER TRANSFORMATION PLAN DESCRIPTION**

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**Proponent Instructions**

Refer to Section 4A of the RFP document.

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## 1.0 TRANSFORMATION PLAN DESCRIPTION OUTLINE

As part of the RFP Response, the Supplier will draft a Transformation Plan Description following the guidelines in this section and using the paragraph styles and formatting of this template. This draft Transformation Plan will form the basis of further evaluation and discussion regarding the Supplier's approach and commercial proposition related to Transformation and will become part of the Agreement prior to the Effective Date.

### 1.1 Outline

The “**Transformation Plan Description**” will include a description of the following (in the order deemed appropriate by Supplier):

1. Management Summary:
  - 1.1. Supplier's overall strategy, methodology and approach to complete the Transformation.
  - 1.2. Critical assumptions and dependencies on Client and third Parties and the key measurable and commercial/business benefits of the proposed Transformation.
2. The scope of work included in the Transformation Services:
  - 2.1. The Transformation organization and responsibilities, including Client's and Supplier's respective Transformation Managers and Transformation Team.
  - 2.2. The major Deliverables the Supplier will present to Client for Acceptance, including the dates by which each critical Transformation Service activity is to have been performed or each Deliverable is to be delivered – the Transformation Milestones (in reference to the Effective Date and Commencement Date).
  - 2.3. A Gantt chart or similar representation reflecting a high-level overview of the Supplier Transformation Project Plan.
  - 2.4. A process and set of standards acceptable to Client to which Supplier will adhere in the performance of the Transformation Services that will enable Client to determine whether Supplier has successfully completed the Transformation Services and provided the Transformation Deliverables in accordance with the Acceptance criteria specified in the Transformation Plan.
  - 2.5. For each major Deliverable, the Supplier will describe the manner Supplier will work with Client or existing third party vendors(s) in a manner that will ensure a seamless transfer of the Service (and clearly identify the risks it envisages and how its solution and approach mitigates the impact of these risks).



3. The roles and responsibilities of the Parties during the Transformation Period such that.
  - 3.1. For all tasks for which Supplier identifies as Client responsibilities, a description of the level of Client effort anticipated, including an estimate of resources needed (number of hours, by skill, by activity, and by month).
  - 3.2. The space required within Client facilities, by Client Service Area, including the number of desks, conference rooms, any special requirements, and specific dates when such Client facilities will be vacated by [**Affected Personnel**], subject to Client facilities requirements.
  - 3.3. An explicit reference to any intended Supplier use of any Client software, including anticipated seat usage volumes and integration activities. In the case of any required integration between Supplier and Client systems, the Transformation Plan shall be explicit with regard to the cost of such integration effort and the anticipated support, involvement and costs expected to be provided from Client.
4. Description of Supplier Software and “tools” to be deployed by Supplier to provide the Transformation Service, including any data loading or data migration activities required.
5. The Security, Service continuity, recovery and contingency plan considerations, activities and Supplier commitments during Transformation.
6. Provisions concerning the oversight of the Transformation processes to follow or supplement and enhance those found in Schedule 9.1 (Governance) and Schedule 3.1(b) (Transition Plan).
7. A list and description of any key assumptions or dependencies upon which the Transformation was based and/or is dependent upon for completion.
8. A Transformation Master Plan resource plan table across initiatives.



**HYDRO ONE**  
**REQUEST FOR PROPOSAL**  
**ATTACHMENT II TO SCHEDULE 3.1(B)**  
**TRANSFORMATION RISK MANAGEMENT PLAN**

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**Proponent Instructions**

Refer to Section 4A of the RFP document.

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## 1.0 RISK LOG

Supplier will use the following template to document and describe the potential risks and mitigation actions necessary to manage those risks as part of the RFP response:

Ref #	Risk Description	Identified By	Date Identified	Existing Controls	Probability	Impact	Impact Description	Responsible Party	Risk Response	Action Plan	Contingency Plan
1											
2											
3											

## 2.0 RISK MANAGEMENT FRAMEWORK

1. Supplier will use the following risk management framework to help identify and categorize the potential impact and probability.
2. Supplier will use a “**Boston Squares Approach**” (see figure 1) to evaluate risk based on the potential business impact and the probability of its occurrence. Use of a common risk assessment and evaluation approach allows Client evaluators to provide objective and subjective assessments of Transition risk and helps both Parties ensure that:
  - 2.1. All risks are considered.
  - 2.2. Efforts around risk management are focused on the areas where there is the highest likelihood of influence for effort.
  - 2.3. Efforts around contingency planning are focused on the areas where contingencies are most required.
3. Business impact will be assessed as one of the following categories:
  - 3.1. LOW Impact = High likelihood of acceptance from all key stakeholder groups (employee, customers, vendors, and investors) with low technological risk (no technology or proven technology in use at Client)
  - 3.2. MEDIUM Impact = Questionable acceptance from one key stakeholder group (employees, customers, vendors, and investors) and/or medium technological risk (use of technology new to Client)
  - 3.3. HIGH Impact = Questionable acceptance from two or more key stakeholders (employees, customer, vendors, and investors) and/or high technological risk (emerging/unproven technology)
4. The probability of the risk occurring will be assessed as follows:
  - 4.1. LOW = Remote
  - 4.2. MEDIUM = Possible
  - 4.3. HIGH = Likely



5. After assessing the potential business impact and the probability of risk occurring, the Supplier will multiply the impact rating times the probability rating (Low = 3, Medium = 2, Low = 1) to determine the risk score. (For example :  $3 \times 3 = 9$  indicates very high risk)

Business Impact	High			
		7	8	9
		4	5	6
		1	2	3
	Low	Probability of Occurring		High

Figure 1



**HYDRO ONE**  
**REQUEST FOR PROPOSAL**  
**ATTACHMENT II TO SCHEDULE 3.1(C)**  
**TRANSFORMATION RISK MANAGEMENT PLAN**

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**Proponent Instructions**

Refer to Section 4A of the RFP document.

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## Transformation Risk Log

Supplier will use the following template to document and describe the potential risks and mitigation actions necessary to manage those risks as part of its RFP response:

Ref #	Risk Description	Identified By	<i>Date Identified</i>	Existing Controls	Probability	Impact	Impact Description	Responsible Party	Risk Response	Action Plan	Contingency Plan
1											
2											
3											
Add lines as needed											

### 1.0 RISK MANAGEMENT FRAMEWORK

Supplier will describe the risk management framework and processes that the Supplier will use to manage the Transformation risks, including a description of how probability and impact are determined, how risks are tracked and managed, and so forth.

**RFP Version**

Proponent Instructions:

Refer to Part 4A of the RFP document

**HYDRO ONE NETWORKS INC.**

**- AND -**

**[SUPPLIER]**

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**MASTER SERVICES AGREEMENT**

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## **MASTER SERVICES AGREEMENT**

**THIS AGREEMENT** is made as of the ● day of ●, 2013 (the “**Effective Date**”).

**BETWEEN:**

**HYDRO ONE NETWORKS INC.**

(hereinafter referred to as “**Client**”)

- and -

**[SUPPLIER]**

(hereinafter referred to as “**Supplier**”)

**WHEREAS** Client wishes to engage a service provider to provide the Services (as defined herein) to the Client;

**WHEREAS** Supplier submitted a Proposal (as defined herein) to the RFP (as defined herein) setting out its proposal to provide services to the Client, and Supplier’s credentials and capabilities to provide services in furtherance of Client’s objectives.

**AND WHEREAS** Client’s objectives in entering into the Agreement include: (i) establishing a stable mutually beneficial relationship that encourages value-added activities; (ii) lower cost of services; (iii) having commercially comparable service levels relevant to the Client’s business for measureable services; (iv) access to processes, change management and global best practices in line with leading practices; (v) permitting Client to focus skills and resources on its core business as an electricity transmission and distribution system provider; (vi) ensuring the safety and security of Supplier personnel, personnel of Client and general public; (vii) receiving continually-improved value for money; (viii) having the flexibility to change volumes, technology, process or scope; (ix) obtaining robust, effective performance management and governance that aligns Supplier’s interests with Client’s interests; and (x) delivering world-class service to its customers.

**AND WHEREAS** on the basis of and reliance upon the statements made in the Proposal, including subsequent discussions and additional information submitted thereafter, and the representations, warranties and covenants made herein, Client desires to engage Supplier to perform the Services, and Supplier has agreed to provide the Services.

**NOW THEREFORE** in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the Parties agree as follows:

## ARTICLE 1 INTERPRETATION

### 1.1 Definitions

Wherever used in this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms will have the respective meanings ascribed to them as follows:

“**Affiliate**” means, with respect to any Person, any Person Controlling, Controlled by or under common Control with such other Person.

“**Agreement**” means this agreement entitled “Master Services Agreement” and all Schedules (including all Attachments thereto), Statements of Work (including all Exhibits or Attachments thereto).

“**Analyst**” has the meaning ascribed in Section 15.1(a) hereof.

“**Analyst Firms**” has the meaning ascribed in Section 15.1(b) hereof.

“**Ancillary Agreements**” means the agreements with Affiliates entered into pursuant to Section 4.3 hereof, the Guarantees, certificate or other document related hereto or thereto or executed and delivered in connection with this Agreement (whether executed and delivered before or after the Effective Date).

“**Assigned Contracts**” means the contracts between the Previous Service Provider or Client and certain Third Parties listed in a Statement of Work (and such other contracts as the Parties may mutually agree in writing to add to such list) which are to be assigned by the Previous Service Provider or Client to Supplier and assumed and performed by Supplier.

“**Attachment**” means any attachment attached to an Exhibit to a Statement of Work or a Schedule to this Agreement.

“**Audit Information**” has the meaning ascribed in Section 12.1(a) hereof.

“**Authorized Affiliate**” means any Affiliate of Client that has been authorized by Client to use and receive Services from Supplier under this Agreement, as designated by notice to Supplier from time to time.

“**Benchmarking Fee Adjustment**” has the meaning ascribed in Section 15.1(f) hereof.

“**Benchmarking Process**” has the meaning ascribed in Section 15.1 hereof.

“**Business Day**” means any Monday through Friday except: (i) New Year’s Day, Family Day, Good Friday, Easter Monday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Christmas Day or Boxing Day; (ii) December 24 in years when Christmas falls on a Friday or Saturday; (iii) December 27 and the following January 3<sup>rd</sup> in years when Christmas falls on a Saturday; and (iv) December 26 and 27 and the following January 2<sup>nd</sup> in years when Christmas falls on a Sunday.

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**“Change”** means any upgrade, update, modification, improvement, amendment or adjustment to the Services, including:

- (a) any change or modification to the applicable Service Locations;
- (b) any change or modification to the Services that: (i) affects Client or the achievement of Service Levels; (ii) increases Client’s costs; (iii) affects safety or security risks in carrying out the Services; (iv) affects Supplier’s or Client’s compliance with applicable Laws;
- (c) any change or modification to the nature or scope of any Services then currently being provided by Supplier; or
- (d) any other change or modification to this Agreement that is expressly stated to be made in accordance with the Change and New Service Procedure.

but excluding: (i) unless explicitly stated in this Agreement, any increases or decreases in the volume of the Services (including any increases in Supplier’s cost of acquiring, leasing, licensing, maintaining, supporting, updating, refreshing, compensating or retaining (as applicable) any hardware, software, systems, Materials, Service Locations, Client Service Areas, personnel and other resources used or required to be used by Supplier in order to provide the Services in accordance with this Agreement, resulting from the increase or decrease in the volume of the Services); (ii) Service requests contemplated by a Statement of Work and other routine installs, moves, adds and changes contemplated by the Statements of Work or the applicable Procedures Manual; and (iii) Services modifications, improvements, amendments or adjustments subject under a Project Order to the Project Governance Procedures.

**“Change and New Service Procedure”** has the meaning ascribed in Section 9.2(a) hereof.

**“Change Order”** has the meaning ascribed in Schedule 9.2.

**“Claim”** means any actual, threatened or potential civil, criminal, administrative, regulatory, arbitral or investigative demand, allegation, action, suit, investigation or proceeding or any other claim or demand.

**“Client Assets”** means the equipment, furniture, software, data networks, systems and facilities (including Client Service Areas) or other assets owned, licensed or leased by Client or its Affiliates, provided by Client for use by Supplier.

**“Client Audit Representative”** means any internal or external Person designated by Client or an Affiliate of Client, from time to time, in its discretion, to conduct audits on its behalf.

**“Client Business Impact Assessment”** or **“CBIA”** means a report prepared by Client that sets out, among other things, the Clients critical and non-critical business functions and activities supported by and related to the Services, business risk due to loss of business function and supporting resources, services, risk mitigation strategies, recovery times, recovery points and alternative locations.

**“Client Data”** has the meaning ascribed in Section 13.5 hereof.

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**“Client Dependency”** means a Client activity, task, obligation or decision which if not made by the Client Dependency Target Date may impact Supplier’s ability to carry out a Service, provided such Client activity, task, obligation or decision is identified as such in the applicable Statement of Work, Project Order or Change Order.

**“Client Dependency Target Date”** means, in respect of a Client Dependency, the target date for the completion of the Client Dependency specified in a Statement of Work, Project Plan or Change Order or otherwise specified in this Agreement.

**“Client Indemnified Parties”** means Client and each of its Affiliates and their respective Representatives.

**“Client Personnel”** means employees of the Client.

**“Client Policies”** has the meaning ascribed in Section 4.5.

**“Client Responsible Executive”** has the meaning ascribed in Schedule 9.1.

**“Client Service Areas”** has the meaning ascribed in Section 7.1(b) hereof.

**“Commencement Date”** means, for any Services that are not Projects, the date Supplier commences its performance of such Services, as set out in the applicable Statement of Work or Change Order.

**“Confidential Information”** means all information which can reasonably be considered to be confidential, in any form or media, relating to the business, operations, processes or technology of the Disclosing Party, or any of its Affiliates or Representatives, including all data, reports, interpretations, financial statements, forecasts and records containing or otherwise reflecting information concerning the Disclosing Party or any of its Affiliates or Representatives which the Receiving Party or its Representatives may receive from the Disclosing Party in connection with this Agreement, including Materials, business and marketing strategies (including pricing policies, cost and profit information), product and service development plans, information relating to the design of equipment or facilities, products or services, trade secrets, together with all documents, which contain or otherwise reflect information regarding the Disclosing Party or any of its Affiliates. For greater certainty, in the case of Client, Confidential Information includes the terms of this Agreement, all Client Personal Information and Customer Information of Client.

**“Contract Year”** means each of, the period from the Effective Date to the following December 31, and each subsequent twelve-month (12) period during the Term.

**“Control”** and its derivatives mean, with regard to any entity, the legal or beneficial ownership, directly or indirectly, of fifty percent (50%) or more of the shares (or other ownership interest, if not a corporation) of such entity ordinarily having voting rights.

**“Control Rules”** has the meaning ascribed in Section 12.3 hereof.

**“Critical Assets”** means facilities, systems, and equipment which, if destroyed, degraded, or otherwise rendered unavailable, would affect the reliability or operability of any electricity distribution system.



**“Critical Cyber Assets”** means programmable electronic devices and communication networks including hardware, software, and data essential to the reliable operation of Critical Assets.

**“Critical Deliverables”** has the meaning ascribed in Schedule 5.1 .

**“Current Year Adjusted Charges”** has the meaning ascribed in Section 15.1(f) hereof.

**“Customer Information”** means any information relating to: (i) a customer of Client; or (ii) a customer of any retailer, wholesaler or generator of electricity.

**“Deliverables”** means Materials and other items or deliverables required to be delivered pursuant to this Agreement by Supplier.

**“Disaster Recovery Plan”** means the set of documents, instructions, process, and procedures to recover and restore information technology infrastructure, systems, network and applications in the event of a disaster based on the disaster recovery Services described in the applicable Statements of Work.

**“Disclosing Party”** means the Party disclosing the Confidential Information or on behalf of whom Confidential Information is disclosed to the Receiving Party.

**“Dispute”** has the meaning ascribed in Section 9.3(a) hereof.

**“Effective Date”** means has the meaning ascribed in the first page of this Agreement.

**“Event of Force Majeure”** has the meaning ascribed in Section 10.5(a) hereof.

**“Event of Insolvency”** means, with respect to a Party, that:

(i) the Party becomes bankrupt or insolvent within the meaning of the *Bankruptcy and Insolvency Act* (Canada), admits its inability to or fails to pay generally its debts as they become due or otherwise admits its insolvency, or ceases or threatens to cease carrying on business;

(ii) the Party makes a general assignment for the benefit of creditors, makes a proposal under the *Bankruptcy and Insolvency Act* or similar law, seeks relief under the *Companies Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) or any similar law, any proceeding seeking general relief as a debtor, any proceeding is initiated by or against the Party to declare it bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement or composition of it or its debts or for an order for similar relief under any law relating to bankruptcy, insolvency or relief of debtors or seeking appointment of a receiver, trustee or other similar official for the Party or for any substantial part of its assets, and, in the case of a proceeding instituted against the Party, such proceeding has not been dismissed or stayed within thirty (30) days; or

(iii) a receiver or similar official is appointed with respect to a substantial portion of the assets of the Party by a court or a creditor and such appointment has not been terminated within thirty (30) days.

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**“Exclusion Zones”** means areas containing equipment bounded by a physical barrier indicating restricted entry, for the purposes of safety to personnel and reliability of the electricity distribution system.

**“Exhibit”** means any exhibit attached to a Statement of Work.

**“Fees” or “Charges”** has the meaning ascribed in Section 16.1(b) hereof.

**“Financial Terms”** has the meaning ascribed in Section 16.1(a) hereof.

**“Framework”** has the meaning ascribed in Section 12.2(a) hereof.

**“Governance”** means the processes and procedures set out in Schedule 9.1.

**“Governmental Authority”** means any government, regulatory authority, governmental department, agency, commission, board, tribunal, dispute settlement panel or body, bureau, official, minister, Crown corporation, or court or other law, rule or regulation-making entity having jurisdiction over Supplier, Client, or any Person, property, transaction, activity, or other matter related to this Agreement, and includes the government of the Province of Ontario in its role as shareholder of Client’s parent.

**“Guarantees”** means the separate guarantees referred to as the financial guarantee and the performance guarantee, executed and delivered by [●] [Note to Supplier: Applicable guarantor of Supplier to be inserted. Hydro One will determine the need for Guarantees based on Supplier’s proposed contracting entity. Hydro One may require guarantees from parent companies, consortium or joint venture members or major subcontractors.] in the form attached hereto as Schedule 1.1(a).

**“Initial Term”** has the meaning ascribed in Section 2.1 hereof.

**“Intellectual Property Rights”** means all rights protectable by copyright, trade-mark, patent, industrial design or trade secret and other intellectual property rights under any Law, including common law.

**“Internal Control Audit”** means an audit of any one of the following areas: (i) reliability of financial reporting (such as SSAE 16) (ii) effectiveness and efficiency of operations, and (iii) compliance with applicable laws and or (iv) any comparable audit of internal controls approved by Client, in its discretion.

**“Internal Dispute Resolution Process”** means the process for addressing Disputes set out in Section 9.3 hereof.

**“Key Position”** means any Supplier Personnel position identified as a “Key Position” in a Statement of Work.

**“Laws”** means any applicable laws, statutes, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, treaties, policies, notices, directives, operating licences, directions and judicial, arbitral, administrative, ministerial or departmental judgments, awards or other requirements of any Governmental Authority, in each case, having the force of law in any

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jurisdiction in which Supplier provides Services or in which Client carries on business, or otherwise binding upon Client.

“**Liability Cap**” has the meaning ascribed in Section 19.2 hereof.

“**Losses**” means any and all damages, fines, penalties, deficiencies, losses, liabilities (including settlements and judgments), costs and expenses (including interest, court costs, fees and expenses of lawyers, accountants and other experts and professionals or other Charges and expenses of litigation or other proceedings or relating to any Claim, default or assessment).

“**Managed Contract**” means any contract to be managed by the Supplier and identified as a Managed Contract in a Statement of Work or Change Order.

“**Managed Contract Commencement Date**” means, for a particular Managed Contract, the date set out in the applicable Statement of Work or Change Order on which Supplier’s obligations pursuant to Sections 6.5, 6.6, and 6.7 commence.

“**Managed Contract Supplier**” means each Third Party supplier that is a party to a Managed Contract.

“**Managed Contract Termination Date**” means, for each Managed Contract, the date set out in the applicable Statement of Work or Change Order on which Supplier’s obligations pursuant to Sections 6.5, 6.6, and 6.7 will cease.

“**Materials**” means any work product, software (including programming code, such as source code and object code), systems, data, modules, tools, methodologies, analysis, frameworks, designs, specifications, reports, drawings, documentation, manuals, solution construction aids, interfaces, advertising and marketing materials, formula, designs, models, spreadsheets, financial statements, drawings and inventions, including all methods, processes, business or otherwise.

“**Measurement Period**” has the meaning ascribed in Schedule 5.1.

“**Milestone**” means any Service, Deliverable or other performance obligation or objective of Supplier or discreet part thereof the completion of which is identified as a Milestone in a Statement of Work, Project Plan or Change Order or otherwise described in this Agreement, and includes Critical Deliverables.

“**Milestone Deadline**” means, for each Milestone, the deadline by which Supplier must complete the Milestone.

“**New Service**” means any service requested by Client that: (i) is not included in the scope of the Services under this Agreement at the time of such request; and (ii) is not a Change or a Project.

“**New Works**” has the meaning ascribed in Section 11.3 hereof.

“**OEB**” means the Ontario Energy Board and any successor authority.

“**Parties**” means Client and Supplier, and “**Party**” means any one of them.

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**“Pass-Through Expenses”** means Third Party fees, charges and expenses that the Parties have agreed are to be paid by Supplier on Client’s behalf and reimbursed by Client without mark-up, commission or rebate.

**“Person”** means any individual, corporation, partnership, governmental body, trust, association or unincorporated organization.

**“Personal Information”** has the meaning set out in applicable Law for the protection of privacy as from time to time enacted or amended, (including the *Personal Information and Protection of Electronic Documents Act* (Canada)), including any information about an identifiable individual.

**“Previous Service Provider”** means the service provider which provided or provides the Services to the Client until the completion of Transition.

**“Prime Rate”** means the prime commercial lending rate of interest (expressed as an annual rate) which The Toronto-Dominion Bank establishes as its reference rate of interest from time to time for the purpose of determining the rate of interest that such bank will charge to its customers for loans in Canadian funds.

**“Procedures Manual”** means one of more manuals that describes the operational processes, procedures, hardware, software, Materials, and the governance processes, procedures, including rules, policies, guidelines that Supplier will comply with to provision and deliver the Services, and includes any training materials related thereto.

**“Project”** means a group of related tasks, activities and deliverables performed over a finite time period that are intended to produce a Deliverable, solution or result requiring planning, scheduling and management (usually in accordance with an agreed deadline and budget), including projects for Transition and Transformation. Projects are generally limited to discrete units of non-recurring work that is not an inherent, necessary or customary part of the day-to-day Services, and is not required to be performed by Supplier to meet the Service Levels (other than the Service Levels related to Project performance and delivery of Critical Deliverables, if applicable).

**“Project Change Process”** means the process for Changes for Projects described in Schedule 3.1(a).

**“Project Governance Procedures”** has the meaning ascribed in Schedule 3.1(a).

**“Project Methodology”** means the process and methodology for Projects describing the stages for requesting, approving and implementing such Projects set out in Schedule 3.1(a) hereto.

**“Project Order”** means the document in the form set out in Schedule 3.1(a) completed and agreed upon by the Parties by way of the Project Methodology describing a Project, including Deliverables to be provided by the Supplier under each Project.

**“Project Plan”** means any plan and time line for the delivery of a Project, including a list of the activities, resources, interdependencies and intersections between Project activities, other Services and any related or connected Third Party activities, Services to be performed, any

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Milestones that Supplier will be required to meet and the related Milestone Deadlines, and any Client Dependencies.

**“Proposal”** means Supplier’s or its Affiliate’s response to the RFP.

**“Rate Card”** means the rate card attached as Attachment A to Exhibit 3.

**“Receiving Party”** means the Party receiving Confidential Information and such of its Representatives as may receive Confidential Information on its behalf.

**“Renewal Term”** has the meaning ascribed in Section 2.2.

**“Representatives”** means with respect to a Party, each of its shareholders, directors, officers, employees, professional advisors (including lawyers, accountants, consultants and financial advisers), its Affiliates, and the shareholders, directors, officers, employees, and professional advisers (including lawyers, accountants, consultants and financial advisers) of each of its Affiliates.

**“Restructuring Successor Entity”** has the meaning ascribed in Section 4.4.

**“RFP”** means the request for proposals [TITLE] dated ●, 2013 for the Services under the Statements of Work set out in Section 1.3 hereof.

**“Schedules”** has the meaning ascribed in Section 1.2 hereof.

**“Service Level Credits”** has the meaning ascribed to it in Schedule 5.1.

**“Service Level Default”** has the meaning ascribed to it in Schedule 5.1.

**“Service Level Termination Event”** means the occurrence of Service Level Defaults in three (3) consecutive Measurement Periods or four (4) Service Level Defaults in any six (6) Measurement Periods.

**“Service Levels”** means the levels of performance and standards for the services described in Schedule 5.1 and identified in the Statements of Work as “Service Levels”, as amended in writing by the Parties from time to time in accordance with this Agreement.

**“Service Locations”** has the meaning ascribed in Section 7.1.

**“Services”** means: (i) all of the services, tasks, facilities, deliverables and resources performed or provided by Supplier, and all other obligations of Supplier, pursuant to this Agreement, including Statements of Work, Project Orders, Change Orders, and the Termination Transition Plan; and (ii) all services, tasks, duties, functions and responsibilities that are inherent, necessary or customarily provided as part of the Services described clause (i) even though they may not be fully described in the Agreement or the applicable Statement of Work, Project Order, Change Order or Termination Transition Plan.

**“Statement of Work”** or **“SOW”** means each statement of work identified in Section 1.3 and any other statement of work entered into by the Parties in connection with this Agreement in accordance with Section 4.2 hereof, including any Exhibits and Attachments thereto.

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**“Successor Supplier”** means any service provider designated by Client to assume any or all of the Services upon termination or expiry of this Agreement or any Statement of Work, in whole or in part.

**“Supplier Controls”** has the meaning ascribed in Section 12.3 hereof.

**“Supplier Business Continuity Plan”** means the set of documents, instructions, and procedures for continuation of the Services in the event of a sudden loss of critical business functions or services due to an accident, loss of use of critical applications or systems, disaster, emergency or threat including supporting Disaster Recovery Plans. The Supplier Business Continuity Plan will include the following contents:

- (i) identification of roles and responsibilities during an event;
- (ii) immediate response procedures;
- (iii) event declaration and communication protocol;
- (iv) contact and command centre information;
- (v) recovery and alternate work location logistics;
- (vi) return and rebuild components; and
- (vii) manual workarounds to be used in the event of business process disruptions, or business technology failures until commencement of technology measures planned to be invoked in a disaster event or other disruption.

**“Supplier Business Impact Assessment”** or **“SBIA”** means the reports developed and maintained by Supplier based on the Client Business Impact Assessment that identifies the critical and non-critical Supplier business functions, services and activities and any vulnerabilities related to each Service component including strategies for minimizing risks, maximum recovery times and points, alternate service locations, and addresses exposure to sudden loss of critical business functions or services and supporting resources, due to an accident, loss of use of critical applications or systems, disaster, emergency or threat. The SBIA will include the following components:

- (i) business unit profile;
- (ii) threat identification;
- (iii) risk assessment;
- (iv) qualitative and quantitative impact assessment;
- (v) inter-dependencies;
- (vi) alternate work location considerations; and

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(vii) technology dependencies.

**“Supplier Enterprise Continuity Plan”** means a documented practiced plan that enables services provided by the Supplier to be continually delivered to all of its clients. Such plan will utilize an all-hazards approach and include dealing with events that impact supplier’s people, premises, processes, technology and vendors. This will include events such as pandemics, natural disasters, fires, accidents, sabotage, power and energy disruptions, environmental disasters, cyber-attacks, terrorism, civil disorder, theft, loss of facility, and technology failures.

**“Supplier Indemnified Parties”** means Supplier and each of its Affiliates and their respective Representatives.

**“Supplier Personnel”** means employees of Supplier or its Supplier Subcontractors assigned to perform the Services pursuant to this Agreement.

**“Supplier Subcontractor”** means any Affiliate of Supplier, or subcontractor to Supplier or any Affiliate of Supplier, that performs Services hereunder, even if not approved by Client to perform such Services as required pursuant to Section 8.4.

**“Target Results”** has the meaning ascribed in Section 15.1 hereof.

**“Taxes”** has the meaning ascribed in Section 16.8 hereof.

**“Term”** means the Initial Term and all Renewal Terms.

**“Termination Transition Period”** has the meaning ascribed in Schedule 14.5 hereof.

**“Termination Transition Plan”** means the plan to be prepared by Supplier in accordance with the termination transition plan requirements set out in Schedule 14.5.

**“Termination Transition Services”** has the meaning ascribed in Schedule 14.5.

**“Third Party”** means a Person which is not a Party or an Affiliate of a Party.

**“Third Party Benchmarking”** has the meaning ascribed in Section 15.1(a) hereof.

**“Third Party Claims”** means claims made against Client or its Affiliates by their respective customers or suppliers, or any other third parties.

**“Third Party Materials”** has the meaning ascribed in Section 17.3 hereof.

**“Transformation”** means one or more Projects for the evolution or systematic change of any or all of, service delivery, capability, service models, systems, tools, processes, methods or staffing models in relation to the Services, agreed to by the Parties in accordance with Schedule 3.1(c) (Transformation Methodology).

**“Transformation Plan”** has the meaning ascribed in Section 3.1(c) hereof.

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**“Transition”** means the transition of the service delivery, capability, contract management and service models from Client or its service providers including the Previous Service Provider, to those Services, systems, processes, methods, and personnel required under this Agreement.

**“Transition Plan”** has the meaning ascribed in Section 3.1(b) hereof.

**“Transparency”** means providing Client with (and not withholding from Client) information about (which will not be less than Supplier would provide to its own management team), and reasonable direct input into, procurement processes, potential suppliers, proposed products and specifications, supplier selection processes, costs and pricing, mark-ups on third-party fees, payment schedules, contract terms (including warranties, ownership of intellectual property, usage constraints), commitments (including volumes, length of term, etc.) and any special benefits offered by a supplier such as discounts, rebates, trade-ins and refunds.

**“Wilful Misconduct”** means acts or omissions of a Party or those for which it is responsible in law or contract that are committed or omitted by such Party or those for which it is responsible in law or contract deliberately notwithstanding that it knows that such acts or omissions will result in Losses claimable under this Agreement, including fraud and, in the case of Supplier, abandonment of any of the Services.

## 1.2 Schedules

The following schedules are annexed hereto and form part of this Agreement, as such schedules may be updated and revised from time to time pursuant to and in accordance with this Agreement (each such schedule and any other schedule mutually agreed in writing by the Parties and signed by an authorized signatory for each Party in accordance with Section 21.11 hereof, a **“Schedule”** and, collectively, the **“Schedules”**):

Schedule 1.1(a)	-	Form of Guarantee
Schedule 1.3	-	Form of Statement of Work
Schedule 3.1(a)	-	Project Methodology
Schedule 3.1(b)	-	Transition Plan
Schedule 3.1(c)	-	Transformation Methodology
Schedule 4.8	-	Procedures Manual Outline
Schedule 5.1	-	Service Level Methodology
Schedule 5.4	-	Client Satisfaction Surveys
Schedule 9.1	-	Governance
Schedule 9.2	-	Change and New Service Procedures
Schedule 14.5	-	Termination Transition Plan Requirements

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Schedule 16.1 - Fee Methodology

**1.3 Statements of Work**

The following Statements of Work have been identified by the Parties and form part of this Agreement as of the Effective Date:

<u>Statement of Work</u>	<u>Title</u>
Statement of Work #1	[To be determined.]

The Parties may agree to add additional Statements of Work in the form set out in Schedule 1.3 in accordance with Section 4.2.

**1.4 Order of Precedence**

In the event of a conflict or inconsistency, the following will be the order of precedence of documents comprising this Agreement (in descending order of priority):

- (a) Article 1 through Article 21 of this Agreement;
- (b) the Schedules annexed to this Agreement and their Attachments;
- (c) the Statements of Work (excluding any Attachments or Exhibits thereto);
- (d) the Attachments and Exhibits to the Statements of Work; and
- (e) the Proposal, as provided in this Section.

provided that the terms and conditions of any document executed subsequently to any other document will override the terms and conditions of a prior document if the subsequent document expressly refers to the provisions in the prior document over which it prevails and this Section, but only for the purposes of the specific prior document that contains such express reference, and provided further that such document is signed by an authorized signatory for each Party.

In the event of any ambiguity with respect to Supplier's obligations not resolved by items listed in Sections (a) to (d) in this Section, Supplier's statements in the Proposal shall be incorporated into this Agreement to the extent such statements resolve the ambiguity.

**1.5 Consents**

Where either Party has a right of consent or approval in respect of any matter in connection with this Agreement, unless expressly provided otherwise herein, it will not unreasonably withhold such consent or approval and will endeavour to respond to the other Party's request for such consent or approval in a timely manner. Where this Agreement provides that the Parties are to mutually agree upon certain procedures, standards or details, they will at all times act reasonably, co-operatively and in good faith. The foregoing requirements will not apply in respect of a

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request to amend or renew the provisions of this Agreement, including, for greater certainty, Change Orders or New Services.

## 1.6 General Interpretation

- (a) **Gender and Number** - In this Agreement, words importing the singular include the plural and vice versa, and words importing gender include all genders.
- (b) **Article and Section Headings** - The insertion of headings and the division of this Agreement into Articles and Sections are for convenience of reference only and will not affect the interpretation hereof. The words “hereof”, “hereunder”, “hereto” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion of this Agreement.
- (c) **Extended Meaning** – (i) The use of the terms “including” or “include” mean “including, without limitation” or “include, without limitation,” respectively; (ii) the term “Services” or “the Services” means “Services, or any part thereof” or “the Services, or any part thereof”, as applicable; and (iii) a definition applies to other forms of the word.
- (d) **Currency** - All references to money amounts herein, unless otherwise specified, will be to Canadian currency and all amounts invoiced under this Agreement will be denominated and payable in Canadian currency.
- (e) **Generality** - No specific representation, warranty or covenant contained herein will limit the generality or applicability of a more general representation, warranty or covenant contained herein. A breach of, or inaccuracy in, any representation, warranty or covenant will not be affected by the fact that any more general or less general representation, warranty or covenant was not also breached or inaccurate.
- (f) **Construction** - The Parties acknowledge and agree that they have mutually negotiated the terms and conditions of this Agreement and that any provision contained herein, with respect to which an issue of interpretation or construction arises, will not be construed to the detriment of the drafter on the basis that such Party was the drafter, but will be construed according to the intent of the Parties as evidenced by the entire Agreement.
- (g) **Technical Terms** - Technical terms used in this Agreement that are not defined in this Agreement will have the generally accepted industry or technical meaning given to such terms.

## 1.7 Statutory References

A reference to a statute includes all regulations made pursuant to the statute and, unless otherwise specified, the provisions of any statute or regulation which amends, supplements or supersedes the statute or the regulation.

## 1.8 Time Periods

Unless otherwise specified, time periods, within which or following which any payment is to be made or act is to be done, will be calculated by excluding the day on which the period commences and including the day on which the period ends and where the time is expressed in

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Business Days by extending the period to the next Business Day following, if the last day of the period is not a Business Day.

### **1.9 Time is of the Essence**

Time is of the essence in respect of Supplier's performance of the Services.

### **1.10 Accounting Principles**

Supplier acknowledges that Client makes its financial calculations and maintains its books and records in accordance with generally accepted accounting principles required for use by Client for statutory financial reporting purposes and for regulatory purposes as approved by the OEB. Supplier will provide Client with financial information in a form which permits Client to prepare its financial records for statutory financial reporting purposes and for regulatory purposes as approved or by the OEB.

### **1.11 Non-Exclusive Relationship with Supplier**

This Agreement does not grant to Supplier exclusive rights or to bind Client or any of its Affiliates in any way to an exclusive relationship with Supplier. Supplier is not the exclusive provider to Client or any Affiliate of Client of any of the Services and for greater certainty, nothing in this Agreement will restrict Client or any of its Affiliates from:

- (a) procuring from any other Person, or itself developing or providing, the Services, services similar to the Services, hardware, software, systems, Materials, or other products or equipment relating to, interfacing with or otherwise to be used as part of or in connection with, or in substitution for, the Deliverables or the Services; or
- (b) procuring from any other Person, or itself providing, services substantially similar to, or services that interface with or that are otherwise to be used in connection with, the Deliverables or the Services.

## **ARTICLE 2 TERM**

### **2.1 Initial Term**

This Agreement is effective as of the Effective Date and, unless terminated earlier as provided herein, will expire on 12:01 a.m. EST on the day that is the fifth (5<sup>th</sup>) anniversary of the Effective Date (the "**Initial Term**").

### **2.2 Renewal Terms**

This Agreement may be renewed by Client for two subsequent additional terms of one (1) year each ("**Renewal Terms**") on the same terms by providing Supplier with written notice no less than sixty (60) days prior to the expiry of the Initial Term or Renewal Term, as applicable.

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### 2.3 Statements of Work Terms

Each Statement of Work will remain in force for the Term (but subject to Section 14.5 will not remain in force past the end of the Term), provided that a Statement Work may set out: (i) an alternative shorter period in which it is to remain in force, which shorter period will then apply to such Statement of Work; and (ii) any terms and conditions relating to the renewal of the Statement of Work, which renewals may not exceed the Term of this Agreement.

## ARTICLE 3 TRANSITION, TRANSFORMATION, AND PROJECTS

### 3.1 Projects, Transition Plan and Transformation Plan

- (a) For any Project, including any Transition or Transformation, to be performed by Supplier, the Parties will enter into and Supplier will perform and complete such Project in accordance with the applicable Project Order.
- (b) Supplier will Transition the Services to be performed by Supplier under each Statement of Work or Change Order, whether from the Client, the Previous Service Provider or other service providers, and facilitate the uninterrupted and efficient continued operation of such Services during the Transition of such Services to Supplier in accordance with the applicable Project Plan for such Transition prepared in accordance with Schedule 3.1(b) (each such Project Plan, a “**Transition Plan**”). Supplier will co-operate and assist other service providers of the Client in the course of carrying out any Transition.
- (c) For any Transformation to be performed by Supplier, Supplier will perform and complete such Transformation in accordance with the Transformation methodology set out in Schedule 3.1(c) and the applicable Project Plan for such Transformation (each such Project Plan, a “**Transformation Plan**”). Supplier will co-operate and assist other service providers of the Client in the course of carrying out any Transformation.
- (d) Supplier represents and warrants that each such Project Plan has been or will be prepared in accordance with and will conform to leading industry practice. Supplier will complete the tasks, duties, and other Services set out in each Project Plan in accordance with the Project Order and with the timing requirements set out in the Project Plan, including completing each Milestone on or before the applicable Milestone Deadline.
- (e) Unless otherwise set out in the applicable Project Order, Supplier will report to Client weekly on progress towards completion of each Project through a suitable dashboard tool and through the Governance process.

### 3.2 Client Dependencies

- (a) If Client fails to complete any Client Dependency on or prior to the applicable Client Dependency Target Date, then any obligation of Supplier identified in the applicable Project Plan as one that is dependent on the Client Dependency will be

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extended by the number of Business Days that the day on which Client completes such Client Dependency followed the Client Dependency Target Date; provided that Supplier notifies Client promptly of any such failure. Supplier will notify Client of such failure, in any event no later than ten (10) Business Days of the applicable Client Dependency Target Date. If Supplier fails to notify Client in accordance with this Section, Supplier will be precluded from subsequently citing Client's failure as a reason for Supplier's own subsequent failure to perform. Notwithstanding the failure of the Client to complete any Client Dependency, Supplier will continue to use commercially reasonable efforts to meet the original deadline set out for such obligation.

- (b) If any obligation of Supplier is extended for more than ten (10) Business Days pursuant to Section 3.2(a) due to a failure of Client to complete any Client Dependency, Supplier may deliver to Client a Change request setting out:
  - (i) any proposed extensions to the Milestone Deadlines set out in the applicable Project Plan that Supplier reasonably requires solely and directly as a result of such failure of Client;
  - (ii) any proposed increases in Charges that are solely and directly attributable to such failure of Client, calculated in accordance with any pricing related terms set out in this Agreement; and
  - (iii) any proposed out-of pocket expenses reasonably incurred by Supplier that are solely and directly attributable to the failure of Client to complete any Client Dependency on or prior to the applicable Client Dependency Target Date, to the extent such costs and expenses cannot be mitigated by Supplier using commercially reasonable efforts.

Notwithstanding the foregoing, Supplier will use commercially reasonable efforts to perform all Services in accordance with the applicable Project Plan without extension of any of the Milestone Deadlines set out therein. Following receipt of such Change request, the Parties will negotiate the requested Change in accordance with the Change and New Service Procedures or the Project Change Procedures, as applicable.

- (c) The remedies set out in this Section 3.2 are Supplier's sole remedies in the event of a failure on the part of Client to complete any one or more Client Dependencies on or prior to the applicable Client Dependency Target Date.

### **3.3 Remedies for Failure to Meet Milestone Deadlines**

- (a) Without limiting Client's rights or remedies under this Agreement, Supplier will notify Client Responsible Executive in writing immediately if it becomes aware that it will or that it is likely to fail to meet a Milestone Deadline. The notice provided by Supplier will include the reasons for Supplier's failure, the potential effect of the failure on the ability of Supplier to perform the Services in accordance with the applicable Project Plan, the steps that Supplier proposes to take in order to remedy the failure and mitigate the effect of the failure, and the

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anticipated date by which Supplier will complete the Milestone and any other affected Milestones.

- (b) If Supplier fails to complete any Milestone on or prior to the applicable Milestone Deadline, then Client will be entitled to all applicable remedies set out below or in the applicable Statement of Work, Project Order or Change Order:
  - (i) Client will be entitled to immediately escalate the matter for expedited resolution pursuant to the applicable provisions of Schedule 9.1;
  - (ii) Supplier will pay or credit Client with any credits or liquidated damages specified in a Statement of Work, Project Order or Change Order for failure to complete the Critical Deliverables in accordance with requirements set out in this Agreement; and
  - (iii) If Supplier has not completed the Milestone within thirty (30) days following the Milestone Deadline, or such other shorter time period specified in the Project Order or Statement of Work, then Client may, in its discretion and in addition to other remedies available to it, terminate the applicable Project Order or Statement of Work for cause immediately upon written notice without further obligation to the Supplier with respect to such Project Order or Statement of Work.

## **ARTICLE 4 SERVICES**

### **4.1 Scope of Services**

Supplier will provide to Client and, to the extent specified by Client, to its Authorized Affiliates all of the Services set out in each Statement of Work, Project Order or Change Order.

### **4.2 New Services and Statements of Work**

Client may, from time to time, in its discretion, request that Supplier provide New Services (but nothing herein shall be deemed to require Client to offer New Services to Supplier). The Parties will set out each New Service and the terms and conditions relating to each New Service in a Statement of Work. If Client elects to have the New Service implemented through a Statement of Work, each Statement of Work will be prepared jointly by the Parties and in a form substantially similar to the form of Statement of Work set out in Schedule 1.3, unless otherwise agreed by the Parties. To be valid, any such Statement of Work must be signed by an authorized representative of each Party and reflect the Parties' intention that it be a Statement of Work forming part of this Agreement. Each Statement of Work will incorporate by reference the terms and conditions of this Agreement, unless the Statement of Work expressly provides otherwise. In the event that Client requests that Supplier provide New Services, the Parties will follow the New Service processes and procedures set out in the Change and New Service Procedures.

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#### 4.3 Client Affiliates

- (a) Supplier will provide Services to Authorized Affiliates designated by Client from time to time. Client will be responsible, including financially responsible, for the use of Services by an Authorized Affiliate.
- (b) Upon written request by any Affiliate of Client, Supplier will enter into a separate agreement with such Affiliate for the provision of services similar to the Services provided under this Agreement on terms and conditions which are the same as those herein, including Financial Terms, except that the Supplier and the Affiliate may enter into statements of work appropriate for the services to be provided to the Affiliate of the Client which may differ from the Statements of Work under this Agreement to the extent required. Client will not be responsible for the performance of any separate agreement by an Authorized Affiliate.
- (c) Any volume rebates or other financial benefits to which Client is entitled under this Agreement shall be calculated based on the aggregate the volume of Services and Charges provided to the Client under this Agreement, the volume of Services and Charges provided to Authorized Affiliates pursuant to Section 4.3(a), and Services and Charges provided to any Affiliates that enter into agreements pursuant to Section 4.3(b).

#### 4.4 Separation and Client Restructuring

Supplier will, upon request made by Client from time to time, enter into one or more separate agreements, on terms and conditions which are the same or substantially the same as those herein (including fee structure), with (i) an Authorized Affiliate of Client designated by Client or (ii) successors in whole or part to Client's mandate to provide electricity transmission and distribution in the Province of Ontario (each a "**Restructuring Successor Entity**"), and in connection therewith, will diligently, co-operatively and in good faith work with Client to divide and allocate all of the Services, benefits and responsibilities under this Agreement among Client and the Restructuring Successor Entity, including under the Statements of Work, efficiently and equitably, between this Agreement and the separated agreements in a manner satisfactory to Client and Supplier, each acting reasonably. If as a result of entering into any such agreement with a Restructuring Successor Entity, there is a reduction of the Services to be provided by Supplier under this Agreement, the Charges and charges payable by Client will be reconciled and equitably reduced and any material increase in the aggregate Services provided by Supplier will be equitably allocated among this Agreement and any additional agreements entered into as described in this Section.

#### 4.5 Client Policies and Guidelines

- (a) Supplier will comply with all of Client's policies, guidelines, and procedures including those listed in common Exhibit 3 to all Statements of Work (collectively, the "**Client Policies**"), copies of which have been provided or made accessible to Supplier. Supplier will acknowledge receipt and comply with new, additional or amended policies, guidelines, or procedures as Client may and, from time to time, provide and require.
- (b) Supplier will not permit any Supplier Personnel to access any assets, premises or part thereof to which restricted access rules or policies apply unless such access has been

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approved in accordance with the Client Policies, which approval may require that a criminal background check be performed in respect of such Supplier Personnel. Supplier will be responsible for obtaining any consents required in connection with such criminal background checks and the disclosure of the results of such searches to Client.

#### **4.6 Technology, Process Evolution, and Continuous Improvement**

In providing the Services to Client, as more fully described in each Statement of Work, Supplier will, at no additional cost to Client: (a) continually improve its technology, processes and methodologies in order to allow the Customer to take advantage of technology, process and methodology advances related to the Services; (b) provide for Client's evaluation any technology development that could reasonably be expected to have a positive impact on the Services, which Supplier uses or intends to use for any of its other customers for similar services; and (c) proactively identify, investigate, and present to Client opportunities to reduce the cost to Client or its Authorized Affiliates of their operations or of receiving the Services (including reductions in Charges in addition to any required reductions set out in this Agreement).

#### **4.7 Reports**

Supplier will provide to Client, in the form acceptable to Client and based on the Client's requirements, the reports described in this Agreement and any Statement of Work. For greater certainty, Supplier's costs in collecting and analyzing data and in preparing reports are included in the Charges, and Supplier's performance of such Services is not subject to any additional charges, fees or reimbursements. Client may at any time during the Term require reasonable additional reports, including ad-hoc reports. Such additional ad-hoc reports will be provided at no additional Charges to Client.

#### **4.8 Procedures Manual**

- (a) For each Statement of Work, Supplier will complete, at no additional charge, and deliver to Client a comprehensive Procedures Manual containing the content required by Schedule 4.8, and according to the terms thereof. The Supplier will be update the Procedures Manual to reflect changes in operational processes, procedures, hardware, software, Materials, governance, processes or procedures no less frequently than quarterly in each Contract Year. The initial version of each Procedures Manual and any updates of a Procedures Manual will be provided to Client for review, comment and approval but, for greater certainty, no approval thereof will be interpreted so as to relieve Supplier of any of its performance obligations under this Agreement, Project Order or any Statement of Work. Annually the Supplier will report to the Client regarding all changes made to the Procedures Manual in the preceding twelve (12) month period. For greater certainty the Procedures Manual is an operational document and its revision does not require amendment of this Agreement, unless such terms are contrary to the terms of this Agreement, which shall prevail in the event of any inconsistency.
- (b) Each Procedures Manual will be, in form and substance, sufficient to enable Client, or a Successor Supplier that is reasonably skilled in the provision of services similar to the Services: (i) to fully and effectively understand the Services and the Supplier's organization, methods, procedures and processes for performing the Services; and (ii) to fully and effectively assume the provision of the Services without degradation of the

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Services. Each Procedures Manual will include all system, application, operational documentation and user and training documentation relevant to the Services provided under the applicable Statement of Work. Upon the expiration or termination of the applicable Statement of Work, Supplier will update the Procedures Manual for the Services under the Statement of Work and will deliver such updated Procedures Manual to Client.

- (c) Without limiting any rights granted to Client under Article 11, Supplier grants to Client a non-exclusive, irrevocable, unrestricted, paid up, royalty free, sub-licensable, transferable and perpetual license to use, copy, modify, enhance, create derivative works from, disclose, combine with other works and distribute the Procedures Manuals, including any training materials, in connection with the business of Client and its Affiliates.
- (d) Supplier will comply with the Procedures Manual in the course of providing the Services, including rules, policies and guidelines set out therein, specific procedures governing the provision of the Services, requirements regarding conduct while on sites, and Service requests contemplated by a Statement of Work and other routine installs, moves, adds and changes contemplated by a Statement of Work or the Procedures Manual.

#### **4.9 Responsibility for Resources**

Except as otherwise expressly provided in this Agreement or the applicable Statement of Work, Supplier will be responsible for providing the facilities, personnel, equipment, tools, software, technical knowledge, expertise and other resources necessary for Supplier to provide the Services.

#### **4.10 Cooperation**

Supplier will co-operate at no cost with Client and any Third Party suppliers of equipment, software or services to Client, which cooperation will include at Client's request: (a) making available and providing access to the facilities being used by Supplier to provide the Services (as necessary for Client or a Third Party to perform its work); (b) making available and providing access to systems, software and tools; and (c) providing such information regarding the operating environment, system constraints and other operating parameters necessary for Client or a Third Party to perform its work. Client acknowledges that Third Parties retained by Client may be required by Supplier to agree to comply with Supplier's reasonable security and confidentiality requirements and, to the extent performing work on Supplier-owned, licensed or leased systems or software, to agree to Supplier's reasonable work standards, methodologies and procedures.

#### **4.11 Delegation by Client**

Client may from time to time, upon written notice to Supplier, appoint one or more Third Parties to act on its behalf in connection with this Agreement which may include delegation of authority, service management, service level management, decision making and oversight. Such notice will specify the extent of such Third Party's authority and, without limiting the provisions of Section 4.10, Supplier will comply with and will be entitled to rely on the instructions and decisions of such Third Party's to the extent specified in such notice.

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#### **4.12 Notice of Adverse Impact or Risk**

If Supplier becomes aware of any situation: (a) that has negatively impacted or reasonably could negatively impact the maintenance of Client's internal controls or compliance with Client's physical security, information security or other policies or procedures described in this Agreement or any Statement of Work, or applicable Laws; (b) that has had or reasonably could have any other material adverse impact on the Services (including any delay in delivery or performance, change in Control or change in legal form of Supplier, or infringement of Intellectual Property Rights); (c) that will or could lead to any non-compliance with any Law, Client Policy, standard or Client practice relating to occupational or public health, worker, public or facility safety, or the environment; or (d) any other act, omission or development which would be important for Client to be aware of in order to take precautions to prevent an adverse effect to its businesses or reputation; then Supplier will promptly inform Client verbally and confirm in writing of such situation and the impact or expected impact and, upon request by Client, Supplier and Client will meet in accordance with the Governance Process to formulate and implement an action plan to minimize or eliminate the impact of such situation.

#### **4.13 Compliance with Law**

Supplier shall ensure that all of the Services and other obligations required to be performed by it pursuant to this Agreement shall be performed at all times in compliance with all Laws applicable to Supplier and Client and that Supplier does not affect Client's regulatory licenses or its rights thereunder provided.

#### **4.14 Liens**

Supplier will prevent the application of liens by creditors of Supplier, its Affiliates or their Representatives to any Client Asset in its possession or control or when carrying out the Services. If any such lien is registered against any Client Asset or Client has received a written notice of such lien, Supplier will, at its sole expense, vacate or discharge or cause the withdrawal of such lien, as required by Client, within five (5) days of becoming aware of such lien.

### **ARTICLE 5 SERVICE LEVELS**

#### **5.1 Service Level Management**

Without limiting its other obligations under this Agreement, Supplier will perform the Services in accordance with the Service Levels. The Service Levels assigned to Services are set out in the Statements of Work. Additional terms applicable to Service Levels are set out in Schedule 5.1, including the applicable methodology for measuring Service Levels and Service Level Credits, and for dealing with Service Level Defaults or the effects thereof.

#### **5.2 Service Level Default**

If a Service Level Default occurs, Supplier will promptly: (i) investigate, assemble and preserve pertinent information with respect to, and report on the causes of, the Service Level Default, including performing a root cause analysis; (ii) take all steps necessary to prevent such Service Level Default from recurring; (iii) advise Client, as and to the extent requested by Client, of the

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status of remedial efforts being undertaken with respect to such Service Level Default; (iv) provide any applicable Service Level Credits to Client calculated in the manner specified in Schedule 5.1, provided that the provision and acceptance of Service Level Credits shall not limit any other remedies which Client may have with respect to the events giving rise to the Service Level Default.

### **5.3 Service Level Reporting**

Supplier will deliver to Client detailed reports (including at Client's request, executive summaries) in respect of the achievement of Service Levels, including appropriate analysis of trends and variances on the frequency specified in the applicable Statement of Work, together with such other information as is required by the applicable Statement of Work. Without limiting the generality of the foregoing, such reports will be suitable to enable Client to: (i) review and analyse the proficiency and accuracy of Supplier's provision of the Services; (ii) compare Supplier's actual performance against that specified in each of the Service Levels; and (iii) confirm the calculation of Service Level Credits. Supplier will provide a copy of such reports to Client in a form and format approved by Client.

### **5.4 Client Satisfaction Surveys**

Supplier shall comply with the Client satisfaction methodology set out in Schedule 5.4.

## **ARTICLE 6 ASSETS AND CONTRACTS**

### **6.1 Client Assets**

Client will make available for use by Supplier certain Client Assets, as determined by Client. As between the Parties, Client will retain all right, title and interest in the Client Assets except as may be otherwise expressly set out in the applicable Statement of Work. Supplier will be responsible for all loss and damage in respect of all Client Assets or portions thereof which are caused by Supplier. Any tangible Client Assets returned to Client will be returned in the same physical condition as originally delivered by Client to Supplier, reasonable wear and tear or similar depreciation or depletion excepted.

### **6.2 Use of Client Assets**

Supplier may not use any of the Client Assets for any purpose other than the provision of Services under this Agreement without the prior written consent of Client. Supplier will return all Client Assets to Client in an orderly manner at the earlier of: (a) the expiration or termination of this Agreement or the applicable Statement of Work; and (b) when the Client Assets that are no longer required by Supplier.

### **6.3 Required Consents re Client Assets**

- (a) Client shall be responsible for obtaining any required consents of the suppliers, owners, licensors and lessors relating to the Client Assets which are provided or made available by Client to support the provision of Services by Supplier. Supplier shall provide

reasonable assistance in connection with the foregoing. Client shall pay all reasonable license, administrative, upgrade, consent Charges and other Charges charged by the suppliers, owners, licensors and lessors of the Client Assets in connection with the provision of such consents. In the event that such consents cannot reasonably be obtained by Client, the Parties shall co-operate with each other and take reasonable steps to resolve the matter.

- (b) Upon receipt of true copies thereof, Supplier shall, subject to this Section 6.3(b), comply with the relevant provisions of the license agreements, leases and other agreements (together with all renewals thereof) between Client or its Affiliates and the suppliers, owners, licensors and lessors of the Client Assets as necessary or desirable for the performance of this Agreement. Supplier shall execute such non-disclosure agreements and such agreements in confirmation of the foregoing as the suppliers, owners, licensors or lessors of the Client Assets may require. If the provisions of any such license agreements, leases or other agreements are commercially unreasonable or if the required non-disclosure agreements and agreements in confirmation are commercially unreasonable, the Parties will co-operate with each other and take such actions as are commercially reasonable in order for Supplier to comply with the provisions of such license agreements, leases and other agreements or to otherwise resolve the matter in a timely and equitable manner and, pending such resolution, Supplier shall not be liable for non-compliance with the commercially unreasonable provisions of such license agreements, leases or other agreements.

#### **6.4 Assigned Contracts**

- (a) Prior to the Commencement Date under each Statement of Work, Supplier will assume and perform all of the obligations of one or more Previous Service Providers or Client under any Assigned Contracts relating to the Services described in such Statement of Work, including payment of all related fees attributable to periods on or after the date such Assigned Contracts are validly assigned.
- (b) Client will use its commercially reasonable efforts to obtain or request that a Previous Service Provider obtain any required consents to such assignments. Supplier will provide reasonable assistance in connection with Client's or the Previous Service Provider's efforts to obtain such consents and will execute such documents as the Client, Previous Service Provider or Counterparty to each Assigned Contract may reasonably require in connection therewith. With respect to Assigned Contracts to be assigned by Client, in the event that Client cannot obtain any such consents, or cannot obtain such consents without the obligation on its part to pay a material fee, each applicable Assigned Contract will be treated as a Managed Contract unless the Parties mutually agree to another alternative. With respect to Assigned Contracts to be assigned by Previous Service Providers, in the event that a Previous Service Provider fails to obtain such consents, Supplier will co-operate and take such reasonable measures as necessary to mitigate the impact on the Services of the inability of the Client to obtain the assignment of such Assigned Contract to the Supplier.
- (c) Once validly assigned by the applicable Previous Service Providers or Client, the Assigned Contracts will become the responsibility of Supplier without further obligation on the part of Client or the applicable Previous Service Providers. Supplier undertakes to

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hold Client free and harmless from any obligation or claim under the Assigned Contracts arising after the date they are validly assigned. In addition to any general budgeting and cost reduction measures described in this Agreement, Supplier shall use reasonable efforts to manage Assigned Contracts to reduce Pass-Through Expenses resulting from them, including, terminating, re-negotiating and replacing certain Assigned Contracts, providing that such actions do not result in any adverse effect on Client or the Services, including achievement of Service Levels.

## **6.5 Maintenance, Administration and Operational Responsibilities Relating to Managed Contracts**

For each Managed Contract, commencing on the Managed Contract Commencement Date and continuing until the Managed Contract Termination Date, Supplier will:

- (a) maintain in a secure manner copies of the Managed Contract and related documentation and information, including: (i) all agreed upon change requests; (ii) any amendments to the Managed Contract; (iii) all invoices and supporting financial documentation; (iv) all reports provided in accordance with the Managed Contract; and (v) any other correspondence relating to the Managed Contract;
- (b) at Client's request, provide Client with access to the Managed Contract and other documentation and information described in Section 6.5(a) above, or provide Client with answers to questions posed by Client relating to such Managed Contract, documentation or information;
- (c) manage the relationship and communicate with the Managed Contract Supplier as required under and in accordance with the Managed Contract, and assume all other administrative responsibility for the Managed Contract;
- (d) monitor, manage and use commercially reasonable efforts to ensure that each Managed Contract Supplier complies with its obligations under the Managed Contract, including any obligations of the Managed Contract Supplier to identify and analyze the cause of any failure to meet the Service Levels, specifications or any other performance requirement set out in the Managed Contract;
- (e) comply with the terms of the Managed Contract, including all of Client's obligations thereunder, except to the extent that such compliance is solely within the control of Client or solely within the control of the Managed Contract Supplier;
- (f) assist Client with its compliance with any obligations under the Managed Contract that are solely within Client's control, including notifying Client of such obligations;
- (g) enforce, on behalf of and in the name of Client, all rights of Client under each Managed Contract, including any rights relating to a Service Level failure by the Managed Contract Supplier and any remedies associated therewith; provided, however, that, with respect to disputes or Claims arising out of or relating to the

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Managed Contract, Supplier's obligations will be those set out in Sections 6.5(h) and (i) below;

- (h) immediately notify Client of any actual or potential dispute with the Managed Contract Supplier of which it becomes aware (including any notices of disputes received by Supplier from such Managed Contract Supplier in accordance with the dispute resolution provisions of the Managed Contract, if any) and, at Client's request, and until such time as Client notifies Supplier that it no longer requires Supplier's participation, participate with Client or on Client's behalf in any internal dispute resolution or escalation processes provided in the Managed Contract. If Client requests that Supplier participate in an internal dispute resolution or escalation process on Client's behalf, Supplier will: (i) comply with any instructions provided by Client with respect to the dispute or the process; and (ii) report to Client regarding the progress of the process to ensure that at all times, Client has complete, accurate and up-to-date information regarding the status of the dispute and the status of the parties' dispute resolution efforts. Supplier will not settle any dispute without Client's prior consent, and will comply with any agreement or settlement relating to the dispute agreed to by Client and the Managed Contract Supplier. If, at any time at or following the provision by Supplier to Client of notice of an actual or potential dispute pursuant to this Section 6.5(h), Supplier reasonably believes that it would be in Client's best interests to consider pursuing resolution of the dispute through an external adjudication process, Supplier will notify Client of this belief. If Client elects to pursue or is otherwise subject to an external adjudication process with respect to a dispute, Supplier will thereafter be relieved of its obligations set out in this Agreement with respect to the management of the particular dispute, and Supplier's obligations with respect to the dispute will be those set out in Section 6.5(i) below;
- (i) immediately notify Client of any actual or threatened Claim arising out of or relating to a Managed Contract of which it becomes aware, and co-operate with Client in the investigation, defence and settlement thereof. For greater certainty, except as described in this Agreement, Client, and not Supplier, will be responsible for the investigation, defence and settlement of any Claim arising out of or relating to a Managed Contract (unless such Claim is one to which Supplier's indemnity obligations set out in Section 18.1 apply); provided, however, that Supplier will comply with any judgment, order or settlement relating to the Claim;
- (j) provide Client with assistance reasonably requested by Client in connection with the initiation, analysis and negotiation of a change in accordance with the change order procedure set out in the applicable Managed Contract;
- (k) identify to Client in writing any rights of Client to engage in benchmarking or other quality assurance testing or verification (including any requirements of the Managed Contract Supplier to provide confirmation that it has complied with any most favoured customer or most favoured pricing commitments included in a Managed Contract) at least 60 days prior to any deadline set out in the Managed Contract for the exercise of such rights (if a deadline is provided);

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- (l) at Client's request, either: (i) initiate any benchmarking or other quality assurance testing or verification that Client is entitled to initiate pursuant to a Managed Contract on Client's behalf; or (ii) provide Client with assistance reasonably requested by Client in connection with such benchmarking or other quality assurance testing or verification; and
- (m) not use the services, rights or benefits under the Managed Contract for purposes other than the provision of Services to Client, unless otherwise agreed to in writing by Client.

## **6.6 Payment of Amounts Due Under Managed Contracts**

- (a) Supplier will arrange for the delivery to Supplier by all Managed Contract Suppliers of: (i) invoices for all amounts payable pursuant to the Managed Contract; and (ii) all other supporting documentation that the Managed Contract Supplier is required to provide along with the invoice pursuant to the Managed Contract, as applicable (including, where applicable, charge out details or other details relating to the allocation of such amounts among Client and one or more of its Affiliates or business units thereof). Supplier will promptly review and verify such invoices and reconcile the amounts on the invoice with Client's payment obligations set out in the Managed Contract. No later than ten (10) Business Days prior to the due date for the invoice, Supplier will deliver to Client the original invoice together with a statement identifying which charges Supplier believes are proper and valid, and identifying any errors or other discrepancies identified in any such invoice. Supplier will co-operate with and assist Client to resolve disputes relating to such invoices.
- (b) Supplier will be liable to the Managed Contract Supplier for all interest charges, late fees, penalties or other liabilities payable under the Managed Contract to the extent that such liability is incurred as a result of a failure on the part of Supplier to comply with its obligations under this Agreement.

## **6.7 Obligations Relating to Expiration and Renewal of Managed Contracts**

Supplier will provide to Client written notice of the expiry of any Managed Contract that is due to expire prior to the Managed Contract Termination Date (whether or not the Managed Contract provides for its renewal beyond the expiry date) no later than sixty (60) days prior to: (a) the date by which Client is required to provide notice of its intention to renew or its intention to terminate the Managed Contract, if the Managed Contract includes such a deadline; or (b) the date on which the Managed Contract is due to expire, if the Managed Contract does not include such a deadline. If Client elects not to renew the Managed Contract, then Supplier will thereafter assume responsibility for continuing to provide the Services that were provided pursuant to such Managed Contract in accordance with the applicable Service Levels before the Managed Contract Termination Date, whether by providing such Services directly or by proposing one or more Supplier Subcontractors.

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## 6.8 Managed Contract Required Consents

If a Managed Contract requires the consent of the Managed Contract Supplier to enable Supplier to perform any of the obligations set out in Sections 6.5, 6.6, and 6.7 above, Client will be responsible for obtaining such consent, and Supplier will not be obligated to perform any obligation that requires such consent until Client obtains such consent. Supplier will co-operate and assist Client in obtaining any such consent, including executing any non-disclosure or confidentiality agreements or other similar agreements as the Managed Contract Supplier may reasonably require.

## ARTICLE 7 SERVICE LOCATIONS AND SITES

### 7.1 Service Locations and Sites

- (a) Supplier will not provide the Services from any service location other than the service locations that are: (i) in Ontario, Canada; and (ii) set out in the applicable Statement of Work (the “**Service Locations**”).
- (b) For Service Locations that are Client facilities (“**Client Service Areas**”), Supplier acknowledges and agrees that certain work space made available by Client to Supplier Personnel at the Client Service Areas may be shared with personnel of Client. Subject to the availability of space, Client may expand or reduce Client Service Areas as reasonably required to account for increased or decreased provision of Services by Supplier.
- (c) Client may from time to time reconfigure, relocate, alter and renovate the Client Service Areas and Supplier will co-operate with Client in connection therewith.
- (d) Supplier may not alter, renovate, reconfigure, erect signage at or on, or improve any of the Client Service Areas without the prior written consent of Client.
- (e) Supplier acquires no leasehold or other interest in any Client Service Area and acknowledges that its use of the Client Service Area is as a licensee and not as a tenant. Supplier shall comply, at no additional cost to Client, with the relevant provisions of all Client Service Area leases that Client has entered into in respect of the Client Service Areas.

### 7.2 Physical Safety and Security Procedures

Without limiting Section 4.5, Supplier will comply and will require Supplier Personnel to comply with: (a) all policies and procedures relating to physical safety and security provided by Client to Supplier from time to time; and (b) all safety notices, signage and printed warnings related to physical safety and security located at each service location or site or affixed to any equipment or installation that Supplier Personnel have access to in the course of providing the Services.

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## **ARTICLE 8 SUPPLIER PERSONNEL AND SUBCONTRACTORS**

### **8.1 Supplier Personnel**

- (a) Supplier will ensure that all Supplier Personnel:
- (i) have suitable skills, training, expertise, experience, licences and certificates, as determined by Client, have the interpersonal skills necessary to be successful working with Client, its customers (where applicable), and any Third Party suppliers of equipment, software or services to Client; and
  - (ii) are employed in Ontario, Canada to perform the Services, and are physically located in Ontario, Canada at the time Services are performed by such Supplier Personnel.
- (b) Before assigning any individual to any Key Position in connection with this Agreement, including any re-assignment from one position to another, Supplier will advise Client of the proposed assignment and obtain Client's written approval of such assignment. Supplier will provide a resume to Client in respect each such individual (which will include references) and Client will have the right to interview such individual.
- (c) If Client objects to any individual proposed to be assigned to perform a Key Position, the Parties will resolve Client's concerns; provided, however, if the Parties have not been able to resolve Client's concerns within ten (10) Business Days of being notified by Client of such concerns, Supplier will not assign the individual to that position, and will, instead, within five (5) Business Days after such ten (10) Business Day period, propose to Client the assignment of another individual of suitable ability and qualifications.
- (d) Client, acting reasonably, may from time to time add to or change the positions designated as Key Positions.
- (e) Supplier will cause each individual filling a Key Position, to devote the applicable portion of their time set out in the applicable Statement of Work to the provision of Services to Client. If no such portion is specified in respect of a Key Position, Supplier will cause such individual to devote one hundred percent (100%) of their time to the provision of Services to Client.
- (f) Supplier will not remove any individual from a Key Position without Client's prior written direction or consent except where forced to do so in the event of employee sickness, resignation or other similar causes beyond Supplier's reasonable control. Supplier will establish and maintain an up-to-date succession plan for the replacement of individuals serving in Key Positions and will be review such plan with Client on an annual basis. Supplier will not assign the employment of any Key Position to an Affiliate of Supplier without Client's prior written consent.

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## **8.2 Qualifications, Retention and Removal of Supplier Personnel**

- (a) Supplier will assign an adequate number of Supplier Personnel to perform the Services. Supplier Personnel will be properly educated, trained and fully qualified for the Services they are to perform. Supplier will also make Supplier Personnel available and cause Supplier Personnel to attend any other training, skills assessment, or other testing reasonably required by Client. Supplier will not charge Client for the costs of training Supplier Personnel, (including any replacement Supplier Personnel) to become familiar with Client's account or business, this Agreement or the Services.
- (b) Upon written request by Client, Supplier will promptly, and in any event within five (5) Business Days of Supplier's receipt of such request, replace any Supplier Personnel, including any individual assigned to a Key Position, with another individual acceptable to Client. Notwithstanding the foregoing, where Client notifies Supplier that Client has determined that its concern with an individual is of such a nature that such individual should be removed immediately from Client's account, Supplier will immediately remove such individual(s) from Client's account. In the event that Client requires the replacement of any Supplier Personnel within ten (10) Business Days after Client first becomes aware of the assignment of such individual to Client's account, Supplier will not charge Client for any work done by such individual.
- (c) Supplier will not permit any Supplier Personnel to access any area at a Site to which Critical Cyber Assets, Exclusion Zones or other restricted access rules or policies apply, including any relay room or transformer area at any Site, unless such access has been approved in accordance with the Client policies, which approval may require that a criminal background check be performed in respect of such personnel. Supplier will be responsible for obtaining any consents required in connection with such criminal background checks and the disclosure of the results of such searches to Client.

## **8.3 No Responsibility for Supplier Personnel**

Notwithstanding that Supplier Personnel will be required to comply with Client's policies and guidelines and may be present at the premises of Client and notwithstanding the exercise by Client of approval and removal rights in respect of Supplier Personnel, Supplier Personnel will at all times remain the employees of Supplier or the applicable Supplier Subcontractor and the sole responsibility of Supplier or the applicable Supplier contractor. The Parties will do all such acts or things necessary or desirable to give effect to the foregoing.

## **8.4 Subcontractors**

- (a) Supplier acknowledges that it is the prime contractor responsible for the performance of all Services under this Agreement. Supplier will not engage any Supplier Subcontractor in the performance of any material portion of its obligations hereunder (other than the subcontractors listed in Schedule 8.4 as at the Effective Date, which are deemed to be Supplier Subcontractors for the tasks specified in that Schedule) without the prior written approval by Client, which approval shall include an approval of any fees and mark-ups applicable thereto. Supplier shall not subcontract on terms which do not permit assignment as of the subcontract upon termination or expiry of this Agreement to Client

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or a Successor Supplier. Client may determine in its sole discretion that Supplier is subcontracting a material portion of Supplier's obligations hereunder.

- (b) Supplier will be responsible for and will ensure compliance by each Supplier Subcontractor with all the terms and conditions of this Agreement. It will be a condition of any such subcontracting that the Supplier Subcontractor will: (i) agree to provisions substantially similar to Section 4.5 (Client Policies), Section 4.10 (Co-operation), Section 4.12 (Notice of Adverse Impact), Section 4.14 (Liens), Section 8.4 (Subcontractors), Section 14.5 (Orderly Termination), Section 21.1 (Assignment), Article 11 (Intellectual Property), Article 12 (Audit), and Article 13 (Confidentiality and Personal Information); (ii) agree to maintain insurance appropriate to the tasks being performed by the subcontractor including Workplace Safety and Insurance Board (or any successor authority) coverage where required by Law; (iii) execute such compliance agreements as may be reasonably required in a form acceptable to Client and suppliers of Third Party information, software, products, or services to Client; (iv) agree that it will have remedies under its subcontract against Supplier only, and will have no rights against Client in respect of the subcontract or the services provided by the Supplier Subcontractor; and (v) specifically agree to comply with Client's requirements regarding health and safety and environmental protection.
- (c) Supplier will not prohibit or attempt in any way to prevent any Supplier Subcontractor from: (i) providing services during the term directly to Client provided that they are different from the Services; or (ii) providing any services after the expiration or termination of this Agreement for any reason whatsoever.
- (d) Any approval of any Supplier Subcontractor granted by Client pursuant to this Section will relate only to the specific category of Services and the specific Supplier Subcontractor in respect of which such approval was granted. Any further subcontracting of the same category of Services to another subcontractor or additional categories of Services to the same Supplier Subcontractor or material amendment to the subcontract will require further approval from Client. For greater certainty, any breach by Supplier Subcontractors, employees and other Representatives of any provision of this Agreement will be deemed a breach by Supplier under this Agreement.
- (e) If Supplier becomes aware of any actual or suspected breach by a Supplier Subcontractor of its subcontract with Supplier or of this Agreement that may affect the ability of Supplier to perform its obligations under this Agreement in a material respect, or if Supplier reasonably believes that any such breach may occur, Supplier will: (i) promptly notify Client in writing and provide Client with such information relating to the breach or alleged breach as Client may request; and (ii) use commercially reasonable efforts to ensure that the Supplier Subcontractor remedies such breach (which commercially reasonable efforts will include the delivery of default notices, use of prescribed governance and dispute resolution and escalation processes, resort to available contractual remedies and other available commercially reasonable steps). If the Supplier Subcontractor fails to remedy such breach within the cure period in the applicable subcontract, Supplier and Client will agree upon the actions that Supplier will take with respect to such Supplier Subcontractor; provided, however, that if Client reasonably believes that the ability of Supplier to perform its obligations under this Agreement will be affected in a material respect or that there will be a material adverse impact on Client

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(which may include an adverse reputational impact) if such supplier subcontract is not terminated, then Client may require Supplier to terminate such supplier subcontract.

## **8.5 Performance Principles**

- (a) If and to the extent that Supplier is authorized to procure products or services whether from a subcontractor or otherwise under this Agreement on behalf of or in the name of Client, the following will apply:
- (i) Supplier will ensure that there is Transparency;
  - (ii) If Supplier carries out a competitive procurement, Supplier will carry out a competitive procurement which is fair, in compliance with its terms and in compliance with Laws;
  - (iii) Supplier will obtain Client's prior written consent before Supplier or its Affiliates accept, for their own benefit, any discounts, rebates, rewards, allowances, credits or similar benefits offered by provider of such products or services; and
  - (iv) Supplier will inform Client of any conflicts of interest of which it may become aware, including if (A) supplier of the products or services is an Affiliate of Supplier, or (B) Supplier's other commitments or relationships prevent it or materially impair it from fulfilling its obligations under this Agreement.

## **ARTICLE 9 GOVERNANCE, CHANGE, AND DISPUTE RESOLUTION**

### **9.1 Governance**

In order to facilitate the proper management and control of the relationship of the Parties in connection with this Agreement, the Parties will institute and adhere to Schedule 9.1 (Governance).

### **9.2 Change Control**

- (a) Supplier will not implement any Change, without Client's prior written consent pursuant to the Change and New Service Procedure.
- (b) In the event that either Party wishes to implement a Change, the Parties will follow the Change and New Service Procedure.

### **9.3 Dispute Resolution**

- (a) Except as otherwise provided herein, the Parties will endeavour to resolve all disputes or disagreements between the Parties with respect to: (i) the interpretation of any provision of this Agreement; or (ii) the performance by Supplier or Client of its obligations hereunder (each, a "**Dispute**") in accordance the internal dispute resolution process set out in this Section 9.3 ("**Internal Dispute Resolution Process**").

- (b) If a Dispute arises which is not resolved by personnel directly responsible for provision and receipt of the Services under the relevant Statement of Work, Project Order or Change Order, **[Supplier Responsible Executive]** and Client Responsible Executive will be notified and will meet promptly in order to attempt to resolve the Dispute. If the Dispute cannot be resolved within thirty (30) days of such notice, the matter will be referred to **[the Supplier Executive Sponsor]** and the Client Executive Sponsor for resolution.
- (c) Client and Supplier will exercise diligent, reasonable and good faith efforts to resolve the Dispute throughout the Internal Dispute Resolution Process. During the course of the Internal Dispute Resolution Process, all reasonable requests made by a Party to the other Party for non-privileged information, reasonably related to this Agreement, shall be honoured in order that a Party may be fully advised of the other Party's position. The specific format for the discussions shall be left to the discretion of the individuals involved in the discussions. Offers of settlement and all documents or other materials created for the purposes of resolving a Dispute are made on a without prejudice basis. Evidence of any such offers of settlement, documents and materials shall not be admissible in any court proceeding or arbitration and do not constitute an admission or waiver of rights.
- (d) Concurrent with or upon completion of the Internal Dispute Resolution Process, either Party may commence legal action relating to a Dispute in a court of competent jurisdiction.
- (e) Supplier will continue performing its obligations under this Agreement (including performance of Services) while a Dispute is being resolved, unless and until such obligations are terminated or expire in accordance with the provisions of this Agreement or the applicable Statement of Work, Project Order or Change Order.

## **ARTICLE 10**

### **CONTINUED PROVISION OF SERVICES**

#### **10.1 Supplier Enterprise Continuity Plan**

- (a) Supplier will maintain and test a Supplier Enterprise Continuity Plan. Supplier will at all times during the Term and the period during which Supplier is obligated to provide Termination Transition Services maintain the Supplier Enterprise Continuity Plan in a state of readiness for execution.

#### **10.2 Supplier Business Impact Assessment**

- (a) Supplier will develop Supplier Business Impact Assessments. Supplier will deliver the Client approved Supplier Business Impact Assessments to Client within sixty (60) days following the completion of Transition for each applicable Statement of Work. Supplier will provide the Supplier Business Impact Assessments to Client for review and approval in a timely manner, allowing sufficient time for Client to review and approve them within the timeframe referred to in the preceding sentence.

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- (b) Supplier will update the Supplier Business Impact Assessments at least once during each Contract Year (on the anniversary of the Commencement Date or more frequently). Supplier will also update the Supplier Business Impact Assessments following a change by Client to the Client Business Impact Assessments, or following a significant change to the Services including following completion of a Transformation Plan impacting the Services. Supplier will submit revised and updated Supplier Business Impact Assessments to Client, for Client review and approval within thirty (30) days of the event triggering the update to the Supplier Business Impact Assessments.

### **10.3 Supplier Business Continuity Plan**

- (a) Supplier will develop Supplier Business Continuity Plans based on Supplier Business Impact Assessments and the Disaster Recovery Plans relating to the Services. Supplier will deliver to Client the Supplier Business Continuity Plans no later than ninety (90) days after Client has approved the Supplier Business Impact Assessments for Client review and approval. Supplier will provide the Supplier Business Continuity Plans to Client for review and approval in a timely manner, allowing sufficient time for Client to review and provide final approval within one hundred and twenty (120) days of the Client's approval of the Supplier Business Impact Assessments.
- (b) Supplier will test and maintain ready to execute Supplier Business Continuity Plans and certify to Client that the Supplier Business Continuity Plans, and their supporting Disaster Recovery Plans, are fully operational and capable of restoring Services. Supplier will provide the Supplier Business Continuity test plans to Client for review. Supplier will conduct such testing within ninety (90) days of the initial Client approval of the Supplier Business Continuity Plans, and thereafter at least once during each subsequent Contract Year, or at such other time as Client requests in writing. Supplier will provide evidence to Client confirming the Supplier Business Continuity Plan test results within fifteen (15) days following each test. Supplier will not increase the Charges or charge Client any additional Charges for such testing of the Supplier Business Continuity Plans and associated Disaster Recovery Plans.
- (c) Supplier will update the Supplier Business Continuity Plans and Disaster Recovery Plans at least once during each Contract Year (on the anniversary of the Commencement Date or more frequently). Supplier will provide the Supplier Business Continuity Plans to Client for review and approval within ninety (90) days following each update. For the avoidance of doubt, Supplier will deliver the updated and approved Supplier Business Continuity Plans and Disaster Recovery Plans to Client within one hundred and twenty (120) days following each update.

### **10.4 Business Continuation**

- (a) Supplier will immediately execute Supplier Enterprise Continuity Plan and Supplier Business Continuity Plans in response to Supplier becoming aware that a business interruption event has occurred or is imminent.
- (b) Supplier will invoke either or both the Supplier Enterprise Continuity Plan or Supplier Business Continuity Plan, as applicable, if one or more Supplier Service Locations or the Services normally provided from the Supplier Service Locations have been unavailable

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for more than four (4) hours, and Supplier has reasonably determined according to criteria set out in the Supplier Enterprise Continuity Plan or the Supplier Business Continuity Plans that the Supplier Service Locations or the Services normally provided from the Supplier Service Locations will not otherwise be restored to normal operation.

- (c) Where Supplier has invoked either or both the Supplier Enterprise Continuity Plan or Supplier Business Continuity Plan, as applicable, Supplier will assist, cooperate and support Client if Client declares a business interruption event associated with the Supplier declaration.
- (d) Supplier will not increase the Charges or charge Client any additional Charges for Supplier declared events.
- (e) Supplier will continue to meet the Service Levels during the interruption event which resulted in Supplier invoking the Supplier Enterprise Continuity Plan or Supplier Business Continuity Plan.

#### **10.5 Support of Client's Business Continuity Operations**

- (a) Client may declare a disaster if the Client's business functions and critical services have been unavailable for more than four (4) hours and Client reasonably determines according to criteria set out in the Client's Business Impact Assessments recovery requirements that the critical services may not be otherwise restored to normal operation.
- (b) In the event that Client declares a disaster at Client Service Locations and the event impacts the Services, Supplier will perform its responsibilities under the Supplier Continuity Plans and associated Disaster Recovery Plans, and support Client in the recovery of the affected Client Service Locations.
- (c) Upon request from Client in writing, Supplier will consult, cooperate and participate in the development, refinement of Client's Business Impact Assessment and Client's business continuity plans.
- (d) Upon request from Client in writing, Supplier will consult, cooperate, support and participate in the Client's testing of Client's business continuity plans in accordance with the Services and pricing arrangements identified in this Agreement.

#### **10.6 Force Majeure**

- (a) Except for Supplier's performance of activities under the Supplier Enterprise Continuity Plan or Supplier Business, each Party hereto will be excused from default or delay in the performance of its obligations hereunder if and to the extent that such default or delay is caused by an act of God or any other cause beyond its reasonable control (an "**Event of Force Majeure**") (excluding work stoppages, work-to-rule), including fires, riots, acts of war, acts or orders of government, acts of terrorism, accident, explosion, flood, storm, acts of Third Party providers which are not subcontractors, or failures or fluctuations in electrical power, heat light, air conditioning or telecommunications equipment, provided such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing Party through the use of

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commercially reasonable efforts, including obtaining, at its cost, reasonable alternative sources for performing the Services, work around plans or any performance of the Supplier Enterprise Continuity Plan or Supplier Business Continuity Plan. In the event either Party anticipates an Event of Force Majeure arising, it will promptly notify the other Party.

- (b) Upon the occurrence of an Event of Force Majeure, the non-performing Party will be excused from performance for as long as such circumstances prevail and will, as soon as practicable, notify the other by telephone (to be confirmed promptly in writing) of any actual or anticipated delay and describe in reasonable detail the circumstances causing the delay, the expected duration and the steps being taken to circumvent or recover from such Event of Force Majeure. The non-performing Party will provide frequent updates and otherwise use reasonable efforts to keep the other Party fully informed. Except as set forth in Section 10.1(c) below, Supplier will continue to receive its Charges, but not any increased Charges as a result of the Event of Force Majeure.
- (c) If any Event of Force Majeure affecting Supplier substantially prevents, hinders, or delays performance of any of the Services necessary for the performance of Client's essential functions, in a manner not specifically permitted by the Supplier Business Continuity Plan, for:
  - (i) more than seventy two (72) hours, then at Client's option, Client may procure such Services from an alternative source and reduce the Charges payable to Supplier for such Services accordingly; or
  - (ii) thirty (30) days or more, then Client may terminate, by written notice in accordance with Section 14.1(i), the affected Statement of Work, Project Order or Change Order without penalty, and Client shall only be responsible, as Supplier's sole remedy, for payment of Charges for the terminated Services up until the date of the occurrence of the Event of Force Majeure and Supplier will credit or pay to Client any outstanding rebates or credits accrued in respect of the terminated Services. For greater certainty, Section 14.5(d) shall apply to any such termination.

## **ARTICLE 11**

### **INTELLECTUAL PROPERTY**

#### **11.1 Pre-Existing Intellectual Property**

- (a) All Materials and the Intellectual Property Rights therein owned by a Party or its Affiliates, licensors or subcontractors as at the Effective Date will continue to be owned by such Party or its Affiliates, licensors or subcontractors, as applicable, and, except as expressly provided in this Agreement, the other Party will not acquire any right, title or interest in or to such Materials or Intellectual Property Rights.
- (b) Client grants to Supplier (with a right to grant a sublicense to any Supplier Subcontractor of Supplier, provided that such subcontractor first agrees in writing to be bound by the provisions of this Section 11.1 and Section 11.4 in favour of Client) a non-exclusive, non-transferable right and license during Term to use any Materials of Client provided to

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Supplier under this Agreement, and the Intellectual Property Rights therein, to the extent necessary for, and for the sole purpose of, providing the Services and otherwise performing its obligations under this Agreement.

- (c) Supplier grants to Client and its Affiliates a non-exclusive, non-transferable, irrevocable, perpetual right and license to use any Materials of Supplier: (i) used to provide the Services; (ii) provided to Client; or (iii) incorporated into or necessary for the proper use or functioning of New Works, and, in each case, the Intellectual Property Rights therein, to the extent necessary for Client to utilize the Services and carry on its business activities during and after the Term, including any such Materials incorporated into or necessary for the proper use of Procedures Manuals.

## **11.2 Ownership of Enhancements**

All right, title and interest, including all Intellectual Property Rights in, all modifications, updates, upgrades or enhancements made, conceived or reduced to practice by Supplier, its Affiliates or its subcontractors to the Materials of Client will be owned exclusively by Client.

## **11.3 Ownership by Client of New Works**

All right, title and interest, including all Intellectual Property Rights in all Materials and Deliverables, including any portions of the Procedures Manual, made, conceived or reduced to practice by Supplier after the Effective Date in connection with this Agreement or the Services (collectively, “**New Works**”) will be owned exclusively by Client unless otherwise agreed by Client in writing, subject to the license rights granted in Section 11.1(b) hereof.

## **11.4 Confirmation**

Each Party will execute and cause its subcontractors to execute such assignments and other documents as the other Party may reasonably request in order to confirm its ownership of the Materials as contemplated in this Article 11.

## **11.5 Residual Knowledge**

Nothing contained in the Agreement will restrict either Party from the use of any know-how, concepts, or modifications of concepts, methodologies, processes, technologies, algorithms or techniques relating to the Services which either Party, individually or jointly, develops or discloses under the Agreement, provided that in doing so such Party does not breach its confidentiality obligations specified in this Agreement or infringe the Intellectual Property Rights of the other Party.

# **ARTICLE 12**

## **AUDIT**

## **12.1 Audit Information**

- (a) Supplier and each Supplier Subcontractor will maintain in Canada all information relating to the provision of Services hereunder and required to enable Client, Client Audit Representatives or Governmental Authorities to exercise their respective rights under this Agreement or otherwise required for Client or each Affiliate of Client to comply with the

requirements of any Governmental Authority. Without limiting the generality of the foregoing, Supplier will maintain, and will cause all Supplier Subcontractors to maintain, data, records, reports, documentation, books, records (including supporting vouchers, invoices and other documentation showing all expenditures, charges, taxes and related calculations of whatever nature made by Supplier), adequate time records with respect to time expended in performance of Project Orders and other information relating to all aspects of Supplier's performance of its obligations set out in this Agreement, whether performed by Supplier or by any Supplier Subcontractor (collectively, the "**Audit Information**").

- (b) Without limiting Section 13.5, Supplier will maintain, and will ensure that all Supplier Subcontractors maintain, all Audit Information until the latest of: (i) seven years after expiration or termination of this Agreement; and (ii) the date all Disputes, tax assessments or reassessments, litigation or other matters relating to this Agreement are resolved.
- (c) Upon Client's request, Supplier will promptly: (i) provide Client, Client Audit Representative or Governmental Authority Client Audit Representative or Governmental Authority with access to the Audit Information; and (ii) deliver the Audit Information to Client in a format reasonably acceptable to Client.

## 12.2 Internal Control Framework

- (a) Supplier will establish an appropriate internal control framework (the "**Framework**") that meets the requirements and guidelines of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The primary objectives of the Framework are to ensure efficient and effective operations, accurate financial reporting, and compliance with Laws.
- (b) Supplier will implement a governance structure where authority and responsibility is assigned for maintaining the Framework. The governance structure will be reviewed with Client at least annually at Client's option.
- (c) The Framework will include the following activities, although these are not comprehensive, and Supplier will ensure additional policies and procedures are in place to support and comply with the Framework:
  - (i) Supplier will establish a code of conduct and take disciplinary actions in cases of serious violations (e.g., availability, confirmation of compliance, and follow-up of deviations). The code of conduct will be made mandatory for Supplier Personnel and reinforced annually through education or information sessions;
  - (ii) Supplier will undertake a fraud risk assessment, and implement anti-fraud programs relating to Client's business and assets. Reports of all fraud occurrences or fraud prevention affecting Client will be provided to Client;
  - (iii) Supplier will maintain a confidential "whistle-blower" program;

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- (iv) Supplier Personnel will be subject to personal risk assessments (including criminal background checks and references); and
  - (v) policies and procedures are to be maintained which address privacy, confidentiality, errors and omission procedures and conflicts of interest, where appropriate.
- (d) To support the Framework, Supplier will establish a competent and independent internal audit function with a mandate to assess internal controls over its environment, as per this Agreement. Supplier will provide Client with the results of all Internal Control Audits and security audits performed by Supplier's internal audit function regarding the Services, the Service Levels or the fees. Client has the right to review Supplier's annual internal audit plan and to meet quarterly with Supplier's internal audit management.
- (e) Supplier will, on a quarterly basis, provide a letter of management representation to Client noting:
  - (i) compliance with Laws;
  - (ii) safeguarding of assets;
  - (iii) appropriate level of segregation of duties;
  - (iv) disclosure of events whose impact may have significant impact on Client's financial statements; and
  - (v) all occurrences of fraud.

### 12.3 Securities and Regulatory Compliance and Other Compliance Requirements

- (a) The Supplier agrees to provide such assistance as is reasonably requested by Client, in respect of the Services provided by the Supplier and Supplier Subcontractors, to enable Client to comply with all securities and regulatory compliance requirements including but not limited to the Sarbanes-Oxley Act of 2002, Canadian securities legislation and regulations relating to disclosure controls and procedures, and other similar Laws (the "**Control Rules**").
- (b) The Supplier will, at its cost and expense maintain controls and procedures ("**Supplier Controls**") with respect to the Services in accordance with the Control Rules. The Supplier shall:
  - (i) Update the controls, documentation, and Procedures Manual to meet the requirements of the Control Rules for all activities it performs for the Client.
  - (ii) Co-operate with Client Audit Representatives in connection with the testing required to determine the Supplier's compliance with the Control Rules and to ensure that the Supplier Controls function as documented.

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- (c) The implementation of, and any changes to, the Supplier Controls will be subject to Client's approval. Unless otherwise directed by Client, Supplier shall not make any changes to the Client environment after the date defined by the Client.
- (d) On a quarterly basis, the Supplier will provide to the Client a Service Organization Control 1 (SOC 1) Type II (also known as SSAE No. 16 /ISAE 3402/CSAE 3416) report issued by an internationally recognized external audit firm. The dates of delivery of these report(s) are to be determined by the Client. The report will cover the Supplier Controls with respect to the Services performed. Client shall co-operate with the Supplier and such auditor to determine the scope and control objective requirements for the SOC 1 Type II report. Client has the right to meet with Supplier's external audit firm as required.

#### **12.4 Right to Audit**

- (a) During the Term and for the period Supplier is required to comply with Section 12.1(b), Supplier will provide Client, Client Audit Representatives, and any Governmental Authority authorized by Law or by Client, upon seven (7) days prior written notice (other than in the case of an audit conducted by a Governmental Authority, investigations of claims of misappropriation, fraud or business irregularities of a potentially criminal nature, for emergency type audits to address material operational problems and issues, or in the case of surprise audits by Client, all which may be conducted at any time as required and without satisfying the notice requirement), with reasonable access to all facilities, systems and assets used by Supplier to provide the Services and to all relevant Supplier books and records, including Audit Information, in order to conduct appropriate audits, examinations and inspections to: (i) verify the existence of adequate internal control procedures surrounding the delivery of the Services and the suitability of their design; (ii) assess the sufficiency and appropriateness of the Supplier Controls to meet Control Rules; (iii) verify amounts billed to Client by Supplier for Services; (iv) express an opinion on continuous control procedures and consistency with Client's objectives as required by the Internal Control Audit; (v) verify Supplier's reports on Service Levels (including providing access to all raw data from which such reports are compiled); (vi) verify compliance with all applicable Laws, including OEB standards and requirements; (vii) verify the achievement of the requirements specified in the Financial Terms; (viii) verify the physical, data and access security and the quality, accuracy or controls and processes relating to any of the foregoing; (ix) verify performance by Supplier or any Supplier Subcontractor of its obligations under this Agreement or under the applicable subcontract with the Supplier Subcontractor; and (x) verify any other subject matter as may be required by Law or any Governmental Authority.
- (b) Supplier and each Supplier Subcontractor will co-operate with and provide to Client, Client Audit Representatives, and Governmental Authorities any assistance that they may reasonably require in connection with any audits or inspections performed pursuant to Section 12.3(a). Supplier will use all reasonable efforts to arrange its affairs, relationships and agreements (including, security agreements, debentures and real property and equipment leases) in such a way that Client, Client Audit Representatives and Governmental Authority can conduct their activities as permitted by this Section.
- (c) For greater certainty, no audit or inspection will relieve Supplier from its obligations to comply with the provisions of this Agreement.

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## **12.5 Remediation and Compliance**

Supplier will co-operate with Client, Client Audit Representatives and Governmental Authorities and respond to and correct all audit findings in a timely manner and in compliance with the Service Levels and other requirements hereof and, without limiting the generality of the foregoing, the following will apply:

- (a) Supplier agrees to respond in writing to any observations made by any audit, examination or inspection, including any audit undertaken by Client Audit Representatives, Governmental Authority, or Supplier's internal or external auditors (to the extent related to the Services), within thirty (30) days of the audit report date. If any audit, examination or inspection by Client, Client Audit Representatives or Governmental Authority reveals that Supplier is not in compliance with any provision of this Agreement or any applicable accounting principle or other audit requirement for which Supplier has responsibility (including in connection with any Internal Control Audit), Supplier will promptly bring itself into compliance, and in connection therewith, will complete and communicate in writing to Client a plan for remediation of the matters identified to be completed, at Supplier's cost, within a reasonable time, as requested by Client, the Client Audit Representative or Governmental Authority, as applicable.
- (b) Supplier will co-operate with Client and its auditors in the design, documentation, and implementation of any corrective measures required to correct any control or documentation deficiencies; and Supplier will promptly notify Client of, and remediate within a reasonable amount of time as determined by Client, any weakness or deficiency in the performance of, the Supplier Controls.
- (c) If, as a result of any such audit, examination or inspection, it is determined that there has been an overpayment of Charges, Pass-Through Expenses by Client or applicable Taxes, Supplier will promptly reimburse Client for such overpayment plus interest at a rate equal to the Prime Rate plus four percent (4%) per annum. If such audit or inspection shows that Supplier overcharged Client by more than five percent (5%) of the total Charges, Pass-Through Expenses and Taxes or any one of them, in a given month, then Supplier will also reimburse to Client an amount equal to the cost of such audit, examination or inspection incurred by Client.

## **ARTICLE 13 CONFIDENTIALITY AND PERSONAL INFORMATION**

### **13.1 Exchange of Confidential Information**

- (a) Confidential Information will remain the sole and exclusive property of the Disclosing Party that has disclosed the Confidential Information and the Disclosing Party will retain all right, title and interest in and to the Confidential Information it has disclosed to the Receiving Party except as may be provided otherwise in this Article 13. The Receiving Party will at all times maintain the Confidential Information in strict confidence, and will use and copy the Confidential Information solely to carry out the activities contemplated by this Agreement and will not otherwise use or copy the Confidential Information for any purpose including achieving any other commercial or financial benefit. In addition, the Receiving Party will not, subject to Section 13.2 below, publish, disseminate or

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disclose the Confidential Information to others without the Disclosing Party's prior written consent. Notwithstanding the foregoing, Client may disclose Confidential Information of Supplier or any Affiliate of Supplier for the following purposes: (a) the solicitation by Client or any Affiliate of Client of proposals from Third Party service providers for related or alternative services (including as part of a request for proposal); (b) the procurement by Client or any Affiliate of Client of additional services; (c) the planning or implementation by Client or any Affiliate of Client of a transition from all or part of the Deliverables or the Services to an alternative solution or services; or (d) complying with disclosure requirements of a Governmental Authority or otherwise required by Laws, including the OEB.

- (b) The Parties acknowledge and agree that Client is a regulated entity. Supplier will comply with all requirements of the OEB and Laws concerning the protection, security and segregation of Confidential Information. Client agrees to update Supplier as to any changes to the requirements of the OEB concerning the protection, security and segregation of Confidential Information. Notwithstanding the foregoing, Supplier will familiarize itself generally with the requirements of the OEB and applicable Law in this regard and agrees to implement any requirements of the OEB to the extent to which it becomes so aware.

### **13.2 Exclusions**

The Receiving Party's confidentiality obligations under Section 13.1 will not apply to information which:

- (a) it can be shown was lawfully known or independently developed by the Receiving Party prior to use by or disclosure to the Receiving Party, without any reference to the Confidential Information of the Disclosing Party;
- (b) is previously known to or in the Receiving Party's lawful possession prior to the date of disclosure as evidenced by the Receiving Party's written record and was not so provided to the Receiving Party under circumstances wherein the Receiving Party was under a duty of confidentiality;
- (c) is obtained by the Receiving Party from an arm's length Third Party having a bona fide right to disclose same and whom the Receiving Party reasonably concludes, after due inquiry, was not otherwise under an obligation of confidence or fiduciary duty to the Disclosing Party or its Representatives; or
- (d) is or becomes public knowledge through no fault or omission of, or breach of this Agreement by, the Receiving Party or its Representatives.

The foregoing will not be interpreted as a grant of permission by or a grant of license by the Disclosing Party to the Receiving Party in respect of the use or disclosure of information in breach of any applicable Law or the use or disclosure of information (including Client Personal Information) of or pertaining to any other Person.

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### 13.3 Disclosure to Representatives

The Receiving Party is permitted to disclose the Confidential Information only to such of its Representatives who need to know the Confidential Information to carry out the activities contemplated by this Agreement. The Receiving Party hereby specifically covenants and agrees that it will ensure that its Representatives comply with and are bound by the terms and conditions of this Article 13.

### 13.4 Compelled Disclosure

In the event that a Receiving Party, or anyone to whom a Receiving Party discloses Confidential Information pursuant to this Agreement or otherwise, becomes legally compelled to disclose any Confidential Information of the Disclosing Party, the Receiving Party will, at the request of the Disclosing Party, exercise reasonable efforts to prevent the disclosure of the Confidential Information. In the event that both Parties are unable to prevent the disclosure in such aforesaid circumstances of such Confidential Information, the Receiving Party will, or will use reasonable efforts to cause such person to whom the Receiving Party disclosed the Confidential Information, to furnish only that portion of the Confidential Information which the Receiving Party is advised by written opinion of counsel is legally required to be furnished by the Receiving Party to such person and exercise reasonable efforts to obtain assurances that confidential treatment will be afforded to that portion of the Confidential Information so furnished. For the avoidance of doubt, Client will be free to disclose this Agreement and information concerning the Services to the OEB (even if such disclosure also discloses Confidential Information of Supplier).

### 13.5 Client Data

- (a) Without limiting Section 11.1, all data of Client, in any form or media, including Client Confidential Information, Personal Information, Customer Information and all specifications, reports (including reports, other than Supplier's own internal reports, and surveys prepared by Supplier) and documentation (including the Procedures Manuals and Termination Transition Plans), Service Levels and all reports relating to the Services, whether prepared by Supplier, Client or a Third Party in any form (collectively, the "**Client Data**") will at all times remain the exclusive property of Client. Without limiting Section 4.5, Supplier will comply with Client Policies relating to Client Data. Client Data will not be: (i) used by Supplier other than in connection with providing the Services; (ii) disclosed, sold, assigned, leased or otherwise provided or made available, intentionally or otherwise, to third parties by Supplier; or (iii) commercially exploited by or on behalf of Supplier. Annually, Supplier and Client will meet to determine whether any changes are required to be made for regulatory or other reasons with respect to the manner in which Supplier stores, uses or transmits Client Data and the continued retention and storage of Client Data. At Supplier's cost, Supplier will promptly notify Client of and correct any errors or inaccuracies in the Client Data and the Reports delivered to Client under this Agreement, to the extent caused by Supplier or its Representatives
- (b) Upon Client's request, at any time during the Term, where required by applicable Law or where not required by Supplier to perform its obligations hereunder, or upon termination or expiration of this Agreement, Supplier will promptly return to Client, in the format and on the media then existing, all or any part of Client Data or applicable Client Data, as the

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case may be, and erase or destroy all or any part of Client Data, as applicable, in Supplier's possession or control, in each case to the extent so requested by Client. If Client requests destruction of Client Data, Supplier will promptly issue and provide to Client a certificate signed by the **[Supplier Responsible Executive]** confirming such destruction, describing the Client Data destroyed, date of destruction and identity of the Supplier Personnel who supervised such destruction.

- (c) Supplier will be responsible for developing and maintaining procedures for the reconstruction of lost Client Data, which was in Supplier's or its Representatives' possession or control. Supplier will provide a description of such procedures to Client. At a minimum, Supplier will implement and comply with generally accepted industry practices for data and system backup and Client's backup requirements set forth in Client Policies (and if there are any inconsistencies, requirements set out in Client Policies will control), as such practices and requirements may be updated. Supplier will correct, at Client's request and sole discretion and at no charge to Client, any destruction, loss or alteration of any Client Data caused by Supplier or its Representatives or in the possession of or under the control of Supplier or its Representatives. Supplier will correct, at Client's request and sole discretion, any destruction, loss, or alteration of any Client Data caused by Client or its Representatives provided that Client will be responsible for Supplier's costs in excess of Supplier's costs incurred in the normal course of providing the Services to Client.
- (d) Supplier will comply with Client's policies, procedures, protocols and schedules relating to (i) record retention and disposition, and (ii) identifying, preserving, collecting, reviewing, and producing Client Data in connection with any litigation, governmental investigation, or request for information, or when litigation, a governmental investigation or a request for information is anticipated or otherwise when Client's duty to preserve Client Data has been triggered (as determined by Client in its sole discretion). Moreover, Supplier will comply with Client's verbal and written directives as communicated by Client's legal department as to how to apply and execute Client's policies, procedures and protocols relating to the identification, preservation, collection, review and production of Client Data in individual litigation, investigation or request for information matters or anticipated litigation, investigation or request for information matters or otherwise when Client's duty to preserve Client Data has been triggered (as determined by Client in its sole discretion).

### 13.6 Personal and Customer Information

- (a) Supplier will not collect, create, handle, use, copy, disclose, dispose of or destroy any Personal Information of or about Client's or its Affiliates' employees, customers, suppliers and any other person dealing with Client or its Affiliates (the "**Client Personal Information**") or Customer Information or permit any of the foregoing by anyone for whom it is responsible in Law or contract except as is directed in writing by Client's privacy officer, required by applicable Law, or as necessary to perform its obligations under this Agreement.
- (b) Supplier will (i) take reasonable steps to protect Client Personal Information and Customer Information from loss, theft or unauthorized use, access, disclosure, copying, alteration or destruction, and (ii) without limiting Section 4.5, comply with all Client

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Policies relating to Personal Information. “Reasonable steps” to be taken by Supplier include, the use of physical, organizational and technological measures designed to safeguard the Personal Information, such as, where appropriate, through access controls, encryption or other suitable means.

- (c) Supplier will not transfer any Client Personal Information or Customer Information outside of Canada or access any Client Personal Information or Customer Information from a location outside of Canada without Client’s prior written consent.
- (d) All Client Personal Information and Customer Information is the property of Client, and Supplier will have no proprietary or, except as expressly permitted herein, licence right therein.
- (e) Supplier will, subject to applicable Law, deliver to Client all Client Personal Information and Customer Information, in its possession or control, in whatever form (or at Client’s request, destroy such Personal Information), including all working papers, notes, memoranda, reports, data in machine-readable format or otherwise, and documentation which have been made or obtained in relation to this Agreement, upon the termination or expiration of this Agreement, or at such earlier time as Client may request.
- (f) Upon delivery of Client Personal Information and Customer Information to Client, Supplier will have no right, except as may be required by applicable Canadian Law, to retain any such Client Personal Information or Customer Information in any form and will ensure that no record of the Personal Information or Customer Information remains in Supplier's possession except as may be permitted by Client or as may be required by applicable Law.
- (g) Supplier will appoint a privacy officer to manage and monitor Supplier’s privacy compliance as well as creating an appropriate written privacy policy for review and comment by Client. Supplier’s privacy officer will act as Supplier’s principal point of contact with Client regarding privacy matters. Client’s privacy officer will act as Client’s principal point of contact with Supplier regarding privacy matters.
- (h) Client may, upon reasonable notice, assess and review Supplier’s practices and procedures for receiving and processing Client Personal Information and Customer Information under this Agreement, for the purposes of ensuring that the privacy and security terms and conditions of this Agreement are being complied with. For these purposes, Supplier will provide Client with reasonable access to the policies, procedures and protocols used for purposes of providing the Services and any other documents that may be relevant. Client will also have an opportunity to interview Supplier Personnel. Client will have no duty to make any such assessment and review, and will not incur any liability or obligation by reason of doing or not doing so.
- (i) If Supplier receives any inquiry or complaint relating to Client Personal Information or Customer Information that has been collected, used or disclosed under this Agreement, Supplier will (provided that it is not prohibited by Law from doing so) promptly notify Client thereof, and provide such particulars as Client may request, and if Client notifies Supplier that it requires assistance in investigating or responding to the inquiry or complaint, Supplier will fully co-operate with Client by furnishing it with complete

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information concerning its collection, use and disclosure of Client Personal Information or Customer Information, including responding, if requested to do so, to any inquiry by a Governmental Authority or to any complaint, at Client's expense unless the inquiry or complaint arose due to a fault other than that of Client's. If any inquiry or complaint gives rise to regulatory or court proceedings, at Client's expense (unless the inquiry or complaint arose due to the fault other than Client's), Supplier will co-operate in the conduct of such proceedings and will attend hearings and assist in securing and giving evidence and obtaining the attendance of witnesses.

- (j) In the event that Supplier becomes aware that Client Personal Information or Customer Information has been stolen or lost, or a person has obtained unauthorized access to Client Personal Information or Customer Information, or Supplier or Supplier Personnel have used, disclosed or disposed of Client Personal Information or Customer Information other than as contemplated in this Agreement, Supplier will at the first reasonable opportunity notify Client's General Counsel by telephone followed by written notice. Supplier will, within five (5) Business Days investigate the matter and provide Client with an oral report stating the cause of the deficiency, if any, and the steps taken in an effort to prevent a recurrence, if required, all to the extent known to Supplier at the time. Within a further five (5) Business Days, Supplier will provide Client with a written report documenting the complaint or incident, investigation, or deficiency, if any, and the steps taken in an effort to prevent a recurrence, if required. Upon receipt by Client of such written report from Supplier, Client may, by written request within five (5) Business Days, require Supplier to take further reasonable steps to resolve the deficiency, if any, to the satisfaction of Client.
- (k) Supplier's obligations, if any, under this Article are absolute and are not conditional on Client's compliance with any of its obligations under this Agreement, including its obligation to pay Supplier. Supplier's obligations with respect to Client Personal Information and Customer Information will survive the expiration or termination of this Agreement for any reason and to the extent required by applicable Law.

### **13.7 Information Security**

- (a) Supplier will provide information, data back-up procedures, and information security in accordance with the applicable Client Policies and applicable Laws so as to ensure that Client Data is not lost, modified, or disclosed to any other Third Party or accessed by any other Third Party without Client approval. Such security measures must equal or exceed the applicable Client Policies (including the Information Security Policy, Laws, and standard industry practices for similar Suppliers dealing with non-public, confidential information for utilities similar to Client.
- (b) Supplier will monitor, evaluate and adjust its information security systems and procedures in response to relevant changes in technology, changes in the sensitivity of Client Data as reasonably determined by Client, and internal and external threats to information security. Supplier will promptly notify Client of:
  - (i) any unauthorized possession, use, or knowledge, or attempt thereof, of the data-processing files, transmission messages or other Client Data by any person or entity that may become known;

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- (ii) the effect of any of the foregoing; and
  - (iii) the corrective action taken in response thereto.
- (c) To the extent that any Law requires additional or modified security, privacy, or confidentiality agreements between Client and its suppliers, Supplier agrees that it will execute (or cause to be executed) such additional or modified agreements as may be required by Client.

### **13.8 Security Audits**

In addition to the audit rights set out in Article 12, Supplier will, at its expense, perform, or cause to be performed, once every Contract Year, audits of the data and physical security procedures in effect in that portion of its data center and other Supplier Service locations that are used to provide the Services, or as otherwise agreed by the Parties. Supplier will provide to Client the results, including any findings and recommendations made by Supplier's auditors, of such audits. Client may, under this Section 13.8 and, at Client's expense, perform any additional security audits deemed necessary by Client. Any security audit reports or results from additional audits conducted pursuant to this Article 13 will owned by the Client.

### **13.9 Export of Data**

In no event shall Supplier export, transmit, or otherwise transfer or permit or cause to be exported, transmitted, or otherwise transferred, whether knowingly or unknowingly, any Client Data outside of the Canada for any purpose whatsoever, whether by electronic means or otherwise, without Client's approval and without any required governmental licenses or other authorizations. For purposes of this provision, Supplier acknowledges and represents that Client's intranet and its Service Locations may contain information subject to export control, and access thereto by Supplier Personnel expressly prohibited unless authorized by Client.

### **13.10 Remedies**

The Receiving Party agrees that damages alone may not be a sufficient remedy in the event of breach of the provisions of this Article 13 and that the Disclosing Party will be entitled to equitable relief, including a restraining order, injunctive relief, specific performance or other relief as may be granted by any court to prevent breaches of this Article 13 and to enforce specifically the terms and provisions hereof in any action instituted in any court having subject matter jurisdiction, in addition to any other remedy to which the Disclosing Party may be entitled at law or in equity in the event of any breach of the provisions hereof. Such remedies will not be deemed to be the exclusive remedies for a breach of this Article 13 but will be in addition to all other remedies available at Law or in equity.

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## **ARTICLE 14 TERMINATION**

### **14.1 Termination for Cause by Client**

Client may terminate this Agreement or, at its option, any one or more Statements of Work or Project Orders, for cause by providing written notice to Supplier, specifying the effective date of such termination, if:

- (a) Supplier commits a material breach of this Agreement, including, for greater certainty, any Statement of Work, Project Order or Change Order which material breach is not cured within thirty (30) days after the receipt by Supplier of a notice of the material breach from Client describing the material breach in reasonable detail;
- (b) Supplier commits a breach of a Client policy related to safety or if Supplier or a Subcontractor is negligent, and in each case, serious bodily harm or death to any individual occurs as a result;
- (c) Supplier commits a breach of the same obligation set out in this Agreement, including, for greater certainty, any Statement of Work, Project Order or Change Order: (i) three times; or (ii) four times in any six-month period;
- (d) if:
  - (i) Supplier's aggregate liability to Client for damages in connection with Claims under this Agreement would exceed the Liability Cap; or
  - (ii) in the course of any Dispute, Supplier pleads or submits that its aggregate liability to Client for direct damages in connection with this Agreement is limited to the Liability Cap.

and Supplier fails to execute and deliver to Client, within ten (10) days of the occurrence of either of the events described in clause (i) or (ii) above:

- (A) a binding commitment to pay to Client all damages for which it is found to be liable to Client in connection with this Agreement as of the date of such event; and
  - (B) an amendment to this Agreement increasing the Liability Cap to an amount equal to the sum of all damages for which Supplier is then liable to Client in connection with this Agreement as of the date of such event plus the Liability Cap as of the Effective Date.
- (e) an Event of Insolvency occurs in respect of Supplier;
- (f) pursuant to Section 10.4, for failure to restore Services following a Disaster or Business Interruption;
- (g) pursuant to Section 10.5(c)(ii), following an Event of Force Majeure;

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- (h) a Service Level Termination Event has occurred; or
- (i) a termination right on the part of Client that is set out in a Statement of Work, Project Order or Change Order as a remedy in the event of Supplier's failure to perform an obligation of Supplier set out in the Statement of Work, Project Order or Change Order occurs.

#### **14.2 Termination for Convenience**

Client may, upon at least thirty (30) days prior written notice to Supplier, by delivery of a written notice to Supplier designating the termination date, terminate this Agreement or one or more Statements of Work, Project Orders or Change Orders for convenience, without payment of any termination Charges, penalties or other amounts of any kind, except for such termination Charges, penalties or other amounts that are expressly: (a) set out, or calculated in accordance with the applicable formula set out in, each Statement of Work, Project Orders or Change Orders affected by such termination; and (b) identified as payable upon such termination for convenience by Client. For greater certainty, the Parties agree that such Charges or other amounts constitute Client's sole obligation to pay Supplier any Charges, damages or other amounts in respect of the applicable termination.

#### **14.3 Termination due to Changes or Amendments to Law**

At any time, Client may, upon at least sixty (60) days prior written notice to Supplier, by delivery of a written notice to Supplier designating the termination date, terminate this Agreement or one or more Statements of Work, Project Order or Change Orders due to the coming into effect of a Law or the amendment of an existing Law or a change in the application or enforcement thereof that:

- (a) prohibits the outsourcing of any Services contemplated by this Agreement; or
- (b) materially increases the costs of or reduces the benefits of this Agreement to Client (as determined by the Client).

#### **14.4 Mitigation**

- (a) Each Party will use commercially reasonable efforts to mitigate its Losses and other amounts claimable under this Agreement arising in connection with the termination or breach of this Agreement.
- (b) Where Supplier acquires software that will be solely used to provide any of the Services (as stipulated in a Statement of Work, Project Order, Change Order or otherwise), such software will be acquired in the name of Client or its Authorized Affiliates. If Supplier is unable to acquire software in the name of Client or its Authorized Affiliates, Supplier will use commercially reasonable efforts to facilitate an agreement under which such software may be assigned to Client or Successor Supplier for the use of Client and its Authorized Affiliates for the applicable term of such the licence at no extra cost to Client, any of its Authorized Affiliates or Successor Supplier.

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- (c) Where Supplier enters into any subcontract agreement, services agreement, lease or any other agreement in order to provide any of the Services (as stipulated in a Statement of Work, Project Order, Change Order or otherwise), such subcontract agreement, services agreement, lease or any other agreement: (i) will allow for termination without cause (or in the case of a shared contract cessation Services subcontracted) upon not more than sixty (60) days prior written notice without payment of any additional fee or charge; and (ii) where the services under such subcontract agreement, services agreement, lease or any other agreement are substantially dedicated to Client and are a material cost under this Agreement, they will be transferable to Client or to a Successor Supplier at no extra cost to Client, any of its Authorized Affiliates and to a Successor Supplier or to any one of them.

## 14.5 Orderly Termination

- (a) Within ninety (90) days after the Effective Date, Supplier will prepare and deliver to Client a detailed plan (the “**Termination Transition Plan**”) setting out the tasks, steps, deliverables, milestones, rehearsal strategy and suggested timetable necessary to carry out the transition of the Services to a new service provider in the event of the expiration or termination of this Agreement or one or more Statements of Work.
- (b) The Termination Transition Plan will be prepared in close consultation with Client and will be subject to review and approval by Client. Supplier will correct any defects or deficiencies raised by Client in connection with such review. The Termination Transition Plan will be consistent with, or satisfy the requirements of Schedule 14.5.
- (c) Within thirty (30) days after each anniversary of the Effective Date, Supplier will prepare and deliver to Client an updated version of the Termination Transition Plan which will take into account additions and changes in the Services and underlying systems, components and methodologies.
- (d) In the event of the expiration or termination of this Agreement or one or more Statements of Work: (i) Supplier will perform and cause its Supplier Subcontractors to perform all the tasks, duties and obligations of Supplier set out in the Termination Transition Plan; and (ii) Supplier will incorporate into the Termination Transaction Plan, and perform tasks, duties and obligations required, in any plan provided by the Client from a Successor Provider or the Client (as updated from time to time) for transition of the Services affected by such termination or expiry to the Successor Provider or the Client, as the case may be. If a Termination Transition Plan has not been completed by Supplier and approved by Client, Supplier will perform and cause its Supplier Subcontractors to perform all the tasks, duties and obligations of Supplier set out in Schedule 14.5 as if Schedule 14.5 were the Termination Transaction Plan.

## ARTICLE 15 COMPETITIVENESS

### 15.1 Third Party Benchmarking

- (a) Client reserves the right to have Charges for the Services under one or more Statements of Work, reviewed (each such review being referred to herein as a “**Third Party**

**Benchmarking**”) by independent third parties as suitable for each category of Services (the “**Analyst**”).

- (b) Analysts will be firms that are independent Third Party service providers or consultants (the “**Analyst Firms**”) with expertise in benchmarking the types of Services provided under this Agreement. The Parties acknowledge and agree that, without limiting the ability to agree on additional firms, the following firms, as of the Effective Date, are acceptable Analyst Firms:
- (i) ● **[Note to Supplier: To be identified during contract discussions.]**
  - (ii) or any firm which is the successor thereto or any other mutually agreed upon organization.
- (c) Analyst Firms performing the Third Party Benchmarking will be selected and retained by Client.
- (d) The Analyst’s fees for conducting a Third Party Benchmarking will be borne equally by the Parties. Supplier will provide the Analyst with reasonable access and co-operation for the purpose of conducting a Third Party Benchmarking, at Supplier's cost and expense. Prior to initiating any discussions with an Analyst Firm, the Parties and the Analyst Firm will enter into a non-disclosure agreement with Client with protections no less onerous than the protections set out in Article 13 of this Agreement.
- (e) Subject to the provisions herein, the Analyst Firm, Client and Supplier will mutually agree on the scope, methodology, relative comparisons and other process-related matters for each benchmarking process (the “**Benchmarking Process**”) and will review and approve the results thereof. The Benchmarking Process will, insofar as possible, compare like with like in respect of the Services to comparators which will be composed of other organizations whose received services, in the opinion of the Analyst Firm after normalization share similar attributes as the Services.
- (f) The target results for such Benchmarking Process will be deemed to be the average of the comparators (the “**Target Results**”). If the final results of the Benchmarking Process for a Statement of Work conducted by the Analyst Firm, as set out in a report provided by the Analyst Firm show that the Charges are five percent (5%) or more greater than the Target Results, then Supplier will be required to reduce its Charges for each applicable Statement of Work to five percent (5%) above the Target Results (the adjustment computed in accordance with the foregoing is the “**Benchmark Fee Adjustment**”). The Benchmark Adjustment will be applied to the current Contract Year Charges under the applicable Statement of Work for the Benchmarked Services, adjusted pro-rata effective as of the date that the Benchmarking Report was issued or made available by the Analyst Firm (such Charges as so adjusted by applying the Benchmark Adjustment, the “**Current Year Adjusted Charges**”), and to subsequent Contract Year Charges, provided that in the case of subsequent Contract Year Charges the Benchmark Adjustment, Supplier is required to make will be to the lower of (A) the Current Year Adjusted Charges; and (B) the original proposed Charges for such subsequent Contract Year as set out in the Statement of Work.

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## 15.2 Most Favoured Customer

Supplier represents, warrants and covenants that the Charges for the Services provided pursuant to this Agreement will be as favorable to Client as the prices offered by Supplier for similar services to any of Supplier's commercial customers which purchase in like quantities and on comparable terms and conditions taken as a whole, to those contained in this Agreement. If during the term of this Agreement, Supplier agrees to more favorable prices with any such customer on comparable terms and conditions taken as a whole to those contained in this Agreement, such pricing will be made available to Client for such services within thirty (30) days following the date such agreement has been executed.

## ARTICLE 16 FEES AND CHARGES

### 16.1 Charges and Payment

- (a) Charges will be calculated pursuant to the terms set out in Schedule 16.1, any Exhibits and Attachments to a Statement of Work, Change Order and Project Orders setting out methodologies and amounts payable by Client under this Agreement (the “**Financial Terms**”).
- (b) Client will pay to Supplier in consideration for the performance by Supplier of Supplier's obligations under each Statement of Work, Change Order or Project Order (which, for greater certainty, will include the performance by Supplier of all of its applicable obligations under this Agreement), the applicable Charges calculated in accordance with the applicable Financial Terms (“**Fees**” or “**Charges**”), any Pass-Through Expenses and applicable Taxes, in each case in accordance with the invoice and payment terms set out in this Article 16, as may be modified or supplemented in respect of certain Services by an applicable Statement of Work, Project Order or Change Order.
- (c) Except as expressly set out in this Agreement, there will be no other Charges or other amounts payable by Client to Supplier in respect of the Services.

### 16.2 Invoice Terms and Format

- (a) If invoicing arrangements are not specified in a Statement of Work, Project Order or Change Order, Charges (including approved expenses, if any) will be invoiced monthly in arrears and will be due and payable forty-five (45) days after Client's receipt of invoice. Periodic charges under this Agreement are to be computed on a calendar month basis, and will be prorated for any partial month. Client will pay the amounts due by electronic funds transfer or other means acceptable to the Parties. No Charges may be invoiced by Supplier more than ninety (90) days after the date the relevant Service or Deliverable was provided.
- (b) Supplier will invoice Client separately for the Charges under each Statement of Work, Change Order and Project Order and each invoice will reference the applicable Statement of Work, Change Order or Project Order. Each invoice will contain sufficient detail to allow Client to verify the amounts invoiced. Supplier will include with each invoice, the calculations used to establish such Charges in sufficient detail to enable Client to confirm

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their accuracy. Supplier will mail all invoices to the address below and will also provide an electronic copy:

**[TO BE INSERTED]**

### **16.3 Pass-Through Expenses**

- (a) Pass-Through Expenses will be invoiced by Supplier categorized separately from Charges, in accordance with this Agreement including as further required by the Financial Terms.
- (b) Supplier will use reasonable commercial efforts to minimize the amount of each Pass-Through Expense. With respect to services or materials paid for on a Pass-Through Expense basis, Supplier will provide complete Transparency. With respect to Pass-Through Expenses, Client reserves the right to:
  - (i) obtain the underlying services or materials directly from one or more third parties;
  - (ii) designate the Third Party source(s) for such services or materials;
  - (iii) designate the particular services or materials (e.g., equipment make and model) required by Client;
  - (iv) designate the terms for obtaining such services or materials (including purchase or lease and lump sum payment or payment over time);
  - (v) require Supplier to identify and consider multiple sources for such services or materials or to conduct a competitive procurement; and
  - (vi) review and approve the applicable Pass-Through Expenses and contract terms before a contract for particular services or materials is entered into.
- (c) Client will have the right at any time to inspect any procurement documents, contracts and other records relating to the procurement of any services or materials by Supplier on behalf of Client.

### **16.4 Out-of-Pocket Expenses**

Except as may be otherwise provided in this Agreement, a Statement of Work, Project Order or Change Order, out-of-pocket expenses that Supplier may incur in performing the Services are included in the Charges set out in this Agreement or the applicable Statement of Work, Project Order or Change Order. Accordingly, such Supplier expenses are not separately reimbursable by Client unless, on a case-by-case basis for unusual expenses, Client has agreed in advance and in writing to reimburse Supplier for the expense.

### **16.5 Refunds and Credits**

If Supplier receives a refund, credit, rebate or similar benefit for goods or services previously paid for by Client (including if Supplier receives money or other benefits from other customers

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from the use of resources paid for by Client), Supplier will promptly notify Client of such refund, credit, rebate or benefit and will promptly credit the full amount of such refund, credit, rebate or benefit, as the case may be, to any outstanding or future invoices, provided that if no such outstanding or future invoices remain, Supplier will pay Client such amounts.

#### **16.6 Credits and Set-offs**

If any credit is due to Client pursuant to this Agreement, Supplier will promptly provide Client with an appropriate credit against amounts then due and owing; if no further payments are due to Supplier, Supplier will pay such amounts to Client within thirty (30) days. Client will have the right to set-off any liquidated amounts owing by Supplier to Client against any amount owing by Client to Supplier.

#### **16.7 Disputed Amounts**

If Client Disputes any invoice, Client will promptly advise Supplier of the amount of the invoice that Client considers to be in Dispute, together with a reasonably detailed description of the dispute. Client may withhold the Disputed amount but will pay, when due, any undisputed portion.

#### **16.8 Taxes**

- (a) Client will pay all applicable federal and provincial sales and goods and services taxes (including any changes in the rates of such taxes), as legally required by Supplier to collect and remit on Services provided to Client (“**Taxes**”). For greater certainty, Client will not be responsible for taxes imposed by any Government Authority on Supplier’s income or capital, property taxes, payroll taxes, or taxes of any other nature to which Supplier may be subject. Supplier’s invoices, whether in paper or electronic format, will show any Taxes validly imposed and due hereunder as a separate line item on the invoice and indicating the services to which such Taxes relate. Each invoice will contain the tax identification numbers of each Tax imposed, as is required by Law.
- (b) The Parties will co-operate with each other to minimize the amount of Tax payable by Client pursuant to this Agreement in accordance with applicable Laws. Each Party will provide the other Party, or any other Person, with any certificates, Tax numbers, Supplier invoices or any other documents, which may reduce the Taxes payable by a Party or entitle a Party to recover Taxes paid.
- (c) Should it be determined, upon audit, including by a Government Authority, that Supplier has incorrectly charged Client any Tax: (i) if the audit results in an overpayment of Taxes, Supplier will either, refund the overpayment to Client, or provide sufficient support to Client to allow Client to obtain a full refund of the overpayment directly from the Governmental Authority; or (ii) if the audit resulted in an underpayment of Taxes, Client will pay the total Taxes owing to the Governmental Authority or Supplier as the case may be provided that, the underpayment was as a result of Supplier’s negligence or error, any penalty or interest assessed by a Governmental Authority as a result of an underpayment of Taxes will be payable by Supplier.

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## **16.9 Financial Responsibility**

Financial responsibility relating to a particular function, and any and all related ancillary functions, lies with the Party who has the responsibility of performing that function unless otherwise indicated in this Agreement. Except as otherwise expressly provided in this Agreement, each Party will be responsible at its cost for providing all facilities, personnel, training, supplies and other resources as are necessary to perform their respective obligations under this Agreement.

## **16.10 Regulatory Adjustment**

- (a) Client will notify and consult with Supplier in advance of any hearing in which it believes a Governmental Authority will render a decision directly affecting the Charges or Pass-Through Expenses payable by Client in respect of the Services. Supplier will be responsible for filing any objections it may have with respect to the decision rendered by the Governmental Authority, and Client will provide reasonable co-operation and assistance with respect thereto. The foregoing will not relieve Supplier of its ongoing responsibility to monitor such hearings.
- (b) If a Governmental Authority renders a decision with respect to Client's rates which has the effect of disapproving the level of costs incurred by Client in respect of the Services, then Client and Supplier will promptly meet with one another and, acting reasonably and prudently taking into account the interests of Client, plan for and implement the required reduction in costs without a material reduction in the Services Levels or the Services, which reduction will be completed and effective within ninety (90) days of the date of such decision.
- (c) If a Governmental Authority renders a decision or Client agrees to a settlement, which has the effect of requiring Client to reduce its costs generally or requiring Client to reduce Services or Service Levels, then Client and Supplier will promptly meet with one another and, acting reasonably and prudently taking into account the interests of Client, work together co-operatively to plan for and implement reductions and other changes to the Services and Service Levels and a corresponding commensurate reduction in Charges which is equitable to both Parties, with the object of completing such reductions in ninety (90) days of the date of such decision or settlement.

## **ARTICLE 17**

### **REPRESENTATIONS; WARRANTIES AND COVENANTS**

#### **17.1 Supplier Representations and Warranties**

Supplier represents and warrants that:

- (a) it is a corporation validly organized and existing under the Laws of its jurisdiction of incorporation;
- (b) it has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder;

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- (c) it has by proper action duly authorized the execution and delivery of this Agreement and when validly executed and delivered this Agreement will constitute a legal, valid and binding agreement enforceable against it in accordance with its terms, subject only to any limitation under applicable Laws relating to bankruptcy or the enforcement of creditors' rights and the discretion a court may exercise in the granting of equitable remedies;
- (d) the execution, delivery and performance by Supplier of this Agreement does not and will not result in the violation of any Laws in force on the date hereof to which Supplier or to the best of its knowledge, Client are subject, or conflict in any material respect with or constitute a material breach or material default under its organizational documents or under the terms and conditions of any documents, agreements, licenses or other writings to which it is a party;
- (e) all of the Services and other obligations required to be performed by it pursuant to this Agreement will be performed diligently, on a timely basis, in good faith, using trained staff and personnel in accordance with good business practices, care and skill consistent with standards generally applicable to the facilities management industry and the construction industry and commensurate with Client's business supporting an essential public service;
- (f) it is a Canadian corporation and is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);
- (g) Supplier will conduct its business in relation to the Services in a professional manner. Supplier will comply with all applicable Laws in its dealings with Client or its Representatives and in performing its obligations under this Agreement (including ensuring that all Services comply with applicable Law) and will refrain from engaging in any unfair or deceptive trade practice, or unethical business practice whatsoever;
- (h) that it has not agreed to provide any commission, consulting fee, discount, trade-in allowance, rebate, kick back, referral fee, inducement, gift or any other similar benefit to any service provider, consultant, affiliate, contractor, employee, director, officer or shareholder of Client in any way relating to this Agreement or the transactions contemplated by this Agreement; and
- (i) that each Deliverable will conform with the requirements and specifications set out in the applicable Statement of Work, Project Order, Change Order, or elsewhere in this Agreement.

## **17.2 Client Representations and Warranties**

Client represents and warrants that:

- (a) it is a corporation, validly organized and existing under the Laws of its jurisdiction of incorporation;
- (b) it has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder;

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- (c) it has by proper action duly authorized the execution and delivery of this Agreement and when validly executed and delivered this Agreement will constitute a legal, valid and binding agreement enforceable against it in accordance with its terms, subject only to any limitation under applicable Laws relating to bankruptcy or the enforcement of creditors' rights and the discretion a court may exercise in the granting of equitable remedies; and
- (d) the execution, delivery and performance of this Agreement does not and will not result in the violation of any Laws or conflict in any material respect with or constitute a material breach or material default under its organizational documents or under the terms and conditions of any documents, agreements, licenses or other writings to which it is a party.

### **17.3 Third Party Materials**

To the extent that Supplier procures and delivers to Client any Third Party items (including equipment or licenses for Third Party software) pursuant to this Agreement (“**Third Party Materials**”), Supplier will use its commercially reasonable efforts to pass on to Client the manufacturer's or supplier's warranties and indemnities to the extent that Supplier is contractually able to do so.

## **ARTICLE 18 INDEMNITIES**

### **18.1 General Indemnification**

Supplier will indemnify, defend and hold harmless Client Indemnified Parties from any and all Losses, arising out of, under, or in connection with any Claim resulting from:

- (a) any breach of any representation, warranty or covenant of Supplier by Supplier or resulting from acts or omissions by or Supplier Subcontractors;
- (b) any actual or alleged act or omission of Supplier, Representatives of Supplier or Supplier Subcontractors in their capacity as an employer, purported or prospective employer of a person and arising out of or relating to (i) applicable common law, employment/labour standards, human rights, health and safety, labour relations, employment insurance, Canada Pension Plan, workers' compensation, workplace safety and insurance, pay equity and employment equity legislation; (ii) withholding and reporting requirements under federal, provincial or municipal tax legislation; (iii) workers' compensation claims, assessments, fines or penalties; and (iv) any other aspect of the employment relationship or its termination (including claims for notice, pay in lieu of notice, severance or for breach of an express or implied contract of employment) and which, in all such cases, arose when the person asserting the claim, demand, charge, action, cause of action or other proceeding was or purported to be an employee of Supplier, Affiliate or Supplier Subcontractor;
- (c) the obligations and liabilities of Supplier, Representatives of Supplier or Supplier Subcontractors to their employees or purported employees for salary, wages, benefits, bonus, commissions, overtime pay, accrued time off, banked overtime and vacation pay (whether or not such accrued amounts would otherwise be payable or owing), holiday pay and any other form of remuneration owing or accruing to an employee;

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- (d) the obligations and liabilities of Supplier, Representatives of Supplier or Supplier Subcontractors under any collective agreement.
- (e) any act or omission of Supplier, Representatives of Supplier or Supplier Subcontractors in connection with the provision of the Services to Client Indemnified Parties, which is negligent, reckless, in breach of applicable Laws, or which constitutes Wilful Misconduct;
- (f) an act or omission of Supplier, Representatives of Supplier or Supplier Subcontractors in connection with the provision of the Services which results in bodily injury or death to any Person or physical damage to or loss of tangible property;
- (g) in connection with an Assigned Contract, in respect of matters arising after the date that such Assigned Contract was assigned to Supplier;
- (h) as a result of the use by Supplier, Representatives of Supplier or Supplier Subcontractors of Client Assets for the benefit of any Person other than Client and its Affiliates; and
- (i) any breach of Article 13 by Supplier, Representatives of Supplier or Supplier Subcontractors.

## **18.2 Intellectual Property Indemnification**

Supplier will indemnify, defend and hold harmless Client Indemnified Parties from and against all Third Party Claims against, and any related Losses incurred by, the indemnitee as a result of the Deliverables, Materials, Services, equipment or other items supplied by Supplier, its Affiliates or any subcontractors of Supplier constituting an infringement of any Intellectual Property Right. In the event of any Third Party Claim against the Client Indemnified Parties in respect of use of such Deliverables, Materials, Services, equipment or other items, Supplier, at its option, will: (a) obtain a right to use such Deliverables, Materials, Services, equipment or other items without obligation on the part of the Client Indemnified Parties to the owner of the allegedly infringed Intellectual Property Rights; or (b) modify or replace such Deliverables, Materials, Services, equipment or other items without materially diminishing the functionality or performance thereof, to become non-infringing at Supplier's sole expense.

## **18.3 Indemnification Procedures**

A Client Indemnified Party will give Supplier prompt written notice of any Claim, in respect of which it requires indemnification pursuant to this Article 18 and information and reasonable assistance, at Supplier's expense, for the defence or settlement thereof. Supplier will have sole control of the defense and settlement of such Claim or related action, provided that Supplier will not settle such claim or related action in a manner which imposes any obligation on a Client Indemnified Party, or involves a remedy other than the payment of money, without the prior written consent of the Client Indemnified Party (which consent will not be unreasonably withheld). A Client Indemnified Party will be entitled to engage counsel at its sole expense to consult with Supplier with respect to the defense of the Claim.

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## ARTICLE 19 LIMITATION OF LIABILITY

### 19.1 Consequential Damages

Except as otherwise provided in this Section 19.1, but subject to the limitation of liability set forth in Section 19.2, Client and its Representatives, collectively, on the one hand, and Supplier, [Guarantor] and their Representatives, collectively, on the other, will be liable to the other with respect to non-performance under this Agreement and the Ancillary Agreements only for direct damages and except as otherwise provided in this Section 19.1, in no event will either Client and its Representatives, collectively, on the one hand, and Supplier, and their Representatives, collectively, on the other, be liable for consequential, indirect (provided that the foregoing will not exclude Third Party Claims for direct damages), incidental, special, punitive damages, losses or expenses regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranties, fundamental breach, breach of a fundamental term, failure of essential purpose or otherwise, even if it has been advised of their possible existence. The exclusions in this Section 19.1 will not: (i) preclude Supplier from being entitled to receive or be awarded Charges for Services pursuant to this Agreement; (ii) preclude Client from being entitled to receive or be awarded damages for lost savings; or (iii) apply in the case of Losses arising as a result of Wilful Misconduct by the Party or its Representatives.

### 19.2 Limitation of Liability

Notwithstanding any other provision of this Agreement, except the last sentence of this Section 19.2, Supplier's, and their respective Representatives' maximum aggregate liability for damages to Client, regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranties, fundamental breach, breach of a fundamental term, failure of essential purpose or otherwise, with respect to this Agreement will not be greater than two (2) times the aggregate amounts paid or payable to Supplier under this Agreement and the Ancillary Agreements twelve (12) months immediately preceding the event that caused the damages or that is the subject matter of the Claim; provided that if the event that caused the damages or that is the subject matter of the Claim occurs during the first twelve (12) months after the Effective Date, liability will be limited to an aggregate amount equal to two (2) times the aggregate amounts that would be payable to Supplier pursuant to this Agreement and the Ancillary Agreements for proper performance of the Services during such twelve (12) month period (in each case, the "**Liability Cap**"). Notwithstanding any other provision of this Agreement, except the last sentence of this Section 19.2, Client's and its Representatives' maximum aggregate liability for damages to Supplier, and their Representatives under any provision of this Agreement, regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranties, fundamental breach, breach of a fundamental term, failure of essential purpose or otherwise, with respect to this Agreement will not be greater than the Liability Cap. The existence of more than one Claim under this Agreement will not enlarge or extend the foregoing limitation. The limit in this Section 19.2 will however not apply: (i) in the case of Losses arising as a result of breach of Article 13: (ii) to Supplier's obligations pursuant to Sections 18.1(b), 18.1(c), 18.1(d), 18.1(e), 18.1(f), 18.1(i) and 18.2; (iii) to Losses arising from non-compliance with any obligation in a Statement of Work, Project Order or Change Order relating to security of Client Assets or Client Data (iv) to Losses arising from non-compliance with any obligation in a Statement of Work, Project Order or Change Order relating to

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environmental compliance; and (iv) in the case of Losses arising as a result of Wilful Misconduct by a Party (or its Affiliate or subcontractor).

## **ARTICLE 20 INSURANCE**

### **20.1 Insurance**

Supplier agrees to provide and/or cause its subcontractors to provide and maintain in full force and effect during the Term of the Agreement and any period during which Termination Transition Services are being provided and for a period of twelve (12) months thereafter), with reputable and financially secure insurance companies having a rating of A+ or better, the following insurance coverage with the limits and deductibles set out below:

- (a) Automobile liability insurance covering all licensed vehicles owned, (and non-owned auto for policies written in U.S.), rented or leased and used in connection with the work to be performed under this agreement. Coverage shall include bodily injury and property damage liability, mandatory accident benefits and if applicable attached machinery, to a combined inclusive minimum limit of \$5,000,000. To achieve the desired limits, excess or umbrella coverages may be used.
- (b) Commercial general liability insurance with limits of \$10,000,000 inclusive for both bodily injury, including death, personal injury and damage to property, including loss of use thereof, for each occurrence. To achieve the desired limits, excess or umbrella coverages may be used. Coverage shall specifically include but not be limited to the following:
  - blanket contractual liability;
  - damage to property of Client including loss of use thereof,
  - liability arising out of unlicensed equipment;
  - pollution liability coverage on at least a sudden and accidental basis;
  - products & completed operations to be continuously maintained through the operational liability insurance
  - employer's liability;
  - non-owned automobile liability;
  - broad form property damage;
  - XCU endorsement (if applicable to the Services); and
  - Blasting (if applicable to the Services).
- (c) Crime insurance including employee dishonesty and computer fraud coverage for theft of money or securities that Supplier holds for or on behalf of Client or for which Supplier is legally liable, arising out of the dishonest acts committed by the employees of Supplier or its subcontractors, acting alone or in collusion with others, or through the use of Supplier's computer system to fraudulently cause a transfer, with coverage in a minimum amount \$10,000,000.00.

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- (d) Inland transit insurance against risk of physical damage of the property being transported until such time as the property is received at its final destination, including loading, unloading and storage during the course of transit including storage at secondary processing facilities.

## **20.2 Certificates of Insurance**

- (a) In accordance with the provisions herein, Supplier will supply and cause its subcontractors to supply Client a certificate of insurance completed by a duly authorized representative of their respective insurers certifying that at least the minimum coverages required here are in effect and that the coverages will not be cancelled, restricted or reduced without 30 days advance written notice by registered mail, receipt required, to:

### **[TO BE INSERTED BY CLIENT]**

(with copy to Hydro One Inc., Risk & Insurance Department, 483 Bay Street, TCT 08, South, Toronto, Ontario. M5G 2P5)

- (b) Failure of Client to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Client to identify a deficiency from evidence provided will not be construed as a waiver of Supplier's obligation to maintain such insurance. No one acting on behalf of Client has any authority to waive any insurance requirement herein, unless done so by making specific reference to the provision being affected, and done so in a written instrument signed by hand (and not electronically) by Client's authorized signing authority.
- (c) Client's acceptance of delivery of any certificate of insurance evidencing the required coverages and limits does not constitute approval or agreement by Client that the insurance requirements have been met or that the insurance policies shown in the certificates of insurance are in compliance with the requirements.
- (d) Supplier's failure to maintain the required insurance, or to provide such certificate or other evidence of full compliance with these insurance requirements, as set forth here may result in immediate termination of this Agreement at Client's option.
- (e) If any of the coverages are required to remain in force after final payment, an additional certificate evidencing continuation of such coverage will be submitted with Supplier's final invoice.
- (f) All deductibles shall be to the account of Supplier or Supplier Subcontractors or both of them.
- (g) All limits and deductibles are expressed in Canadian dollars.
- (h) With the exception of automobile liability insurance, all insurance noted above shall specify that it is primary coverage and not contributory with or in excess of any other insurance that may be maintained by Client.
- (i) Client shall be included as an additional insured under coverages noted in commercial general liability and excess/umbrella liability but only with respect to their rights and

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interest in the operations of Supplier under this Agreement. Coverages noted in commercial general liability and excess/umbrella liability shall contain a cross liability clause and a severability of interests clause.

- (j) Coverage provided for Client shall not be invalidated or vitiated by actions or inactions of others.
- (k) In the event that the limits set out above are exhausted by virtue of Third Party Claims, Supplier shall reinstate such limits.
- (l) The aforementioned insurance requirements shall be in force prior to the commencement of the Services under the Agreement and shall remain in force during the entire Term of the Agreement and during the provision of any Termination Transition Services. Notwithstanding anything else in this Agreement:
  - (i) Neither Supplier nor Supplier Subcontractors shall commence providing the Services prior to Client's receipt of a valid standard insurance certificate evidencing compliance with all terms of this Section;
  - (ii) if the required insurance coverage expires during the Term or during provision of any Termination Assistance Services, Supplier shall ensure that replacement insurance coverage as required above shall be in place immediately so that coverage shall be continuously maintained; and Supplier shall provide a renewal certificate within 14 days of expiration evidencing continued compliance with all terms of this Section.

## **ARTICLE 21 GENERAL**

### **21.1 Assignment**

Except as otherwise provided herein, the rights and obligations of each Party under this Agreement are personal and may not be assigned, in whole or in part, either voluntarily or by operation of Law, or indirectly by means of a change of Control in respect of such Party, without the prior written consent of the non-assigning Party. Notwithstanding the foregoing, Client may assign this Agreement or one or more Statements of Work, in whole or in part, to an Affiliate or pursuant to a merger, amalgamation or other corporate reorganization, without the prior written consent of Supplier. Notwithstanding the foregoing, Supplier acknowledges that, as of the Effective Date, all of Client's shares are indirectly owned by the Province of Ontario and as such, Client may be subject to legislative or other government directive in terms of its corporate organization. In the case of legislative or other government directed changes to its corporate organization, Client need not obtain Supplier's consent to an assignment of this Agreement in whole or in part. Client will provide timely written notice of any assignment. In the event of a permitted assignment of this Agreement, in whole or in part, to a Third Party, Supplier will, in a timely manner after receipt of written request by Client, agree to release Client from further obligation under this Agreement.

## **21.2 Relationship of Parties**

Except where this Agreement expressly provides to the contrary, (including where this Agreement or any Statement of Work, Project Order or Change Order specifies that Supplier will act as an agent for or on behalf of Client, in which case Supplier is acting as Client's agent, and except where Supplier is authorized to handle, receive or disburse funds on behalf of Client or to make commitments on behalf of Client, in which case Supplier acts under a fiduciary duty to Client), nothing contained in this Agreement will be deemed or construed by the Parties hereto, or by any Third Party, to create the relationship of partnership or joint venture between Client and Supplier it being understood and agreed that no provision contained herein will be deemed to create any relationship between the Parties hereto other than the relationship of independent Parties contracting for services. This Agreement is entered into solely by and between, and may be enforced only by, Client and Supplier; and this Agreement will not be deemed to create any rights in third parties, including employees, suppliers, clients or Affiliates of a Party, or to create obligations of a Party directly to any such third parties. Notwithstanding the foregoing, subcontractors of Supplier who are engaged to perform Services will be third party beneficiaries of the disclaimers, indemnification and limitations of liability set forth in Article 18 and Article 19 hereof.

## **21.3 Non-Solicitation**

Except as permitted by the Termination Transition Plan, neither Party will directly or indirectly solicit or hire any employee of the other Party who was involved in the performance, utilization or management of any of the Services hereunder during the previous 12-month period, without the prior written consent of the other Party. The foregoing prohibition will not prevent a Party from publishing general advertisements for employees and subsequently hiring such employees who respond to such advertisements nor will it apply to prevent the employment by one Party of any employee whose employment was terminated by the other Party.

## **21.4 No Advertising**

No Party will use the name of any other Party or its Affiliates in any advertising, promotional materials or publicity releases without securing the prior written approval of the Party whose name or whose Affiliate's name is to be used, provided that the foregoing will not prohibit internal announcements by a Party within its own organization and that of its Affiliates nor listing Client as a customer of Supplier in presentations to other customers.

## **21.5 Governing Law**

This Agreement will be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

## **21.6 Notice**

Any notice required or permitted to be given hereunder (other than communication between the Parties for operational purposes) will be in writing and will be hand delivered or sent by prepaid registered mail or by facsimile, in each case addressed as follows:

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If to Client: Hydro One Networks Inc.  
483 Bay Street  
15<sup>th</sup> Floor, North Tower  
Toronto, ON M5G 2P5

Attention: Secretary

Telephone No.: 416-345-5000  
Facsimile Number: 416-345-6240

If to Supplier: ●

or to such other address as any Party may by written notice to the other Party, indicate as its new address for the purposes of this provision. Any such notice given by a Party in accordance with the foregoing will be deemed to have been received by the Party to which it is addressed, on the date of delivery or transmission, in the case of a notice that is hand delivered or sent by facsimile, and four (4) Business Days following the date of mailing, in the case of notice sent by prepaid registered mail. Notices will not be sent by mail in the event of actual or threatened disruption of postal service.

### **21.7 Waiver**

The failure of any Party at any time to require performance by the other Party of any provision of this Agreement will not affect in any way the right to require full performance at any subsequent time; nor will a waiver by any Party of a breach of any provision of this Agreement be taken or held to be a waiver of the provision itself. Consummation of the transactions contemplated herein will not be deemed a waiver of a breach of or inaccuracy in any representation, warranty or covenant or of any Party's rights and remedies with regard thereto.

### **21.8 Severability**

If any provision of this Agreement is held invalid or unenforceable for any reason, such invalidity will not affect the validity of the remaining provisions of this Agreement, and the Parties will substitute for the invalid provision a valid provision which most closely approximates the intent and economic effect of the invalid provision.

### **21.9 Cumulative Remedies**

Except as expressly provided in this Agreement to the contrary, the exercise or obtaining of any right, remedy or relief by a Party in connection with this Agreement, including the exercise of a right of termination, will be without prejudice to any other right, remedy or relief vested in or to which such Party may be entitled at Law, in equity or under this Agreement.

### **21.10 Survival**

The applicable provisions of Articles 1, 12, 13, 16, 17, 18, 19, 20, and 21, and Sections 4.8(b), 9.3, 14.4, and 14.5, Schedules 14.5 and 16.1 will survive termination or expiration of this Agreement together with such other provisions of this Agreement, including Statements of

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Work, Project Orders and Change Orders, which expressly or by their nature survive termination or expiration.

### **21.11 Entire Agreement**

This Agreement, the Ancillary Agreements and subject to Section 1.4 of the Proposal constitute the entire agreement between the Parties with respect to the subject matter thereof and supersede all prior negotiations and representations, whether written or oral, relating to the subject matter hereof.

### **21.12 Amendment**

No amendment, modification, waiver or discharge of this Agreement will be binding unless executed in writing by an authorized signatory of the Party to be bound thereby. For the purposes of amendment to Article 1 to Article 21 of the Agreement, the Schedules, and Attachments to Schedules, the authorized signatory for Hydro One shall be of the same or higher seniority as the initial signatories below to the body of the Agreement. For the purposes of amendment to Statements of Work or Project Orders, the authorized signatory shall be the Client Responsible Executive or such other Client Personnel to whom such authority is delegated by the Client Responsible Executive in writing.

### **21.13 Further Assurances**

The Parties agree to co-operate with and assist each other and take such action as may be reasonably necessary to implement and carry into effect this Agreement to its full intent.

### **21.14 Counterparts**

This Agreement, any Ancillary Agreement, Statement of Work, Project Order or Change Order may be executed by the Parties in separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute one and the same instrument. Delivery of an executed signature page of an any such document by electronic transmission will be as effective as delivery of a manually executed copy of the such document, provided receipt of such document.

**IN WITNESS HEREOF**, the parties to this Agreement have caused it to be executed by their duly authorized officers as of the Effective Date.

**HYDRO ONE NETWORKS INC.**

**[SUPPLIER NAME]**

By: \_\_\_\_\_  
Name: ●  
Title: ●

By: \_\_\_\_\_  
Name: ●  
Title: ●

By: \_\_\_\_\_  
Name: ●  
Title: ●

By: \_\_\_\_\_  
Name: ●  
Title: ●

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**HYDRO ONE**  
**REQUEST FOR PROPOSAL**  
**SCHEDULE 14.5**  
**TERMINATION TRANSITION PLAN**  
**REQUIREMENTS**

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**Proponent Guidelines**

This Exhibit of the RFP contains specific information supplied by Hydro One for the Proponent's use when responding to the RFP.

**Proponent Instructions**

Refer to Section 4A of the RFP document.



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## 1.0 Overview

- (a) This Schedule describes the requirements for transition in circumstances of expiration or termination of the Agreement.
- (b) All capitalized terms not defined in this Schedule will have the meanings defined in the Agreement.

## 2.0 Definitions

Whenever used in this Schedule, the following terms will have the corresponding meanings set out below:

- (i) **[Note to Supplier: As part of the drafting process, additional relevant definitions currently found in Common Exhibit 1 and used in this Schedule are to be incorporated in this Section 2.]**
- (ii) **“Exit Direction”** shall mean action that Supplier is required or requested by Client to take in respect of Termination Assistance.
- (iii) **“Successor Supplier”** shall mean one or more Third Parties appointed by Client to provide any service which Client obtains in succession of the Services or part of the Services, as the case may be, in case the Agreement has expired or has been terminated in whole or in part.
- (iv) **“Termination Assistance”** means the assistance Supplier is obligated to provide pursuant to this Schedule in order to transfer responsibility for delivery, performance and management of the terminating Services, including the services described in the Transition Plan. Termination Assistance is part of Termination Transition Services.
- (v) **“Transition End Date”** shall have the meaning set forth in Section 4. of this Schedule.
- (vi) **“Termination Transition Period”** shall mean the period from the commencement of Termination Transition Services to the Transition End Date.
- (vii) **“Transition Plan”** means the plan for transitioning service(s) developed by the Successor Supplier.
- (viii) **“Termination Transition Services”** shall have the meaning set forth in Section 4 of this Schedule.

## 3.0 Termination Transition Plan

- (a) Supplier shall within ninety (90) days after the Effective Date, deliver at its own cost, a Termination Transition Plan with respect to each of the Statements of

Work in accordance with Section 14.5(a) of the Agreement in order to support the orderly, timely and cost-efficient wind-down and transfer of Services and associated assets, agreements and any other items upon the termination or expiration of this Agreement, in a manner that minimizes (to the extent reasonably practicable) interruption, degradation or other adverse effect on Client. The Termination Transition Plan shall be prepared in the form of the attached Attachment I to this Schedule 14.5 (Form of Termination Transition Plan), in close consultation with Client and shall incorporate the principles set out in this Schedule and shall also set out the detailed tasks, steps and deliverables necessary to carry out a transition as contemplated by such principles. Client shall cooperate with and assist Supplier in the preparation of the Termination Transition Plan.

- (b) The Supplier shall update and maintain the Termination Transition Plan on an on-going basis after it has been prepared, including adding to the Termination Transition Plan for any new Statements of Work. The Supplier shall review the Termination Transition Plan for accuracy and currency, and shall conduct joint reviews with Client on an annual basis before the end of the first Contract Year. Changes to the Termination Transition Plan are subject to Client approval during the annual review.

#### **4.0 Transition Plan**

At or following the date that Client notifies Supplier of termination or non-renewal, Client shall provide Supplier with a transition plan from the Successor Supplier(s) (the “**Transition Plan**”) that describes the detailed tasks, steps and deliverables required from Supplier from the date the plan is activated until the date (which may be after the date of expiry or termination) that Client does not require Termination Transition Services (the “**Transition End Date**”). Such Transition Plan, including the Transition End Date, is subject to change by Client and Successor Supplier(s) and Client shall provide such revised versions as they may come available to Supplier.

#### **5.0 Termination Transition Services**

The Termination Transition Services shall include the following:

- (a) Transition Plan. Each Party shall use commercially reasonable efforts to perform all of its respective obligations described in the Transition Plan in accordance with the timetable specified therein and shall do such other reasonable acts and things as are necessary or desirable to ensure the orderly, timely and efficient transition of the Services and applicable assets and agreements from Supplier to Successor Suppliers or Client.
- (b) As part of Termination Transition, Supplier shall perform the following obligations (the obligations listed hereunder not to be interpreted as an exhaustive list):

- (i) Supplier shall provide Client and its Successor Suppliers with reasonable access to and use of all systems and facilities used by Supplier to provide the Services and to all proprietary materials (including methodologies and business processes) of Client. Supplier shall provide Client and its Successor Suppliers with reasonable access, in accordance with any applicable Laws, any confidentiality requirements and Supplier's security procedures, to facilities used by Supplier to provide the Services and to all of Client Assets located at such facilities.
- (ii) At the request of Client, Supplier will reasonably assist Client and its Successor Suppliers in the de-installation, testing and reconfiguration, as applicable, of any Client Assets which are in the possession or under the control of Supplier or assets which were acquired by Client from Supplier in the course of Transition. Subject to availability and to reasonable notice, Supplier shall make available to Client or its Successor Suppliers at Client's cost, any other available Hardware, Equipment, systems or networks reasonably required by Client or its Successor Suppliers on a temporary basis to facilitate the transition including for temporary testing, back-up and parallel processing purposes.
- (iii) Without limiting the generality of the foregoing obligations relative to the Client Assets, more particularly, the Supplier shall undertake the following:
  - (A) Software. Supplier will return to Client or its Successor Suppliers, as directed by Client, all Client Software in Supplier's possession or control and, if requested, reasonably assist Client and its Successor Suppliers in its de-installation, testing, re-installation and reconfiguration on the Equipment and networks to be used by Client or its Successor Suppliers.
  - (B) Data. Supplier shall transfer all Client Data (in complete, machine readable form) including all transactional accounts data, to Client or its Successor Suppliers, as directed by Client, in a usable format that can be accessed, searched and manipulated by Client by commercially available Software or tools.
  - (C) Documentation. Supplier will, as part of Supplier's obligations under the Agreement, return to Client all copies of all existing documentation of, or relating to, Client's business, including proprietary materials of Client, as well as all back-ups and archived data in Supplier's possession.
- (iv) Supplier will assist Client, on request, to cause all Third Party services then being utilized by or for Supplier in the performance of the Services to be transferred or made available to Client and its Affiliates and Successor Suppliers, as directed by Client. As part of the Termination Transition

Services, Supplier shall identify such Third Party services and make recommendations for their transition, as appropriate.

- (v) In accordance with the terms of the Agreement and to the extent applicable and within Supplier's possession or control, Supplier shall provide copies of all relevant licences, warranty information and agreements (including all Third Party service contracts in respect of the Subcontractors to extent transfer of such Third Party contracts is reasonably anticipated) related to the provision of the Services.
- (vi) Client shall have the right, at its option, to purchase any Equipment, third party Software or other assets, the use of which has been dedicated to the provision of Services to Client, during the six (6) month period prior to termination or expiration of the Agreement, at a price equal to the net book value thereof.
- (vii) At the request of Client, Supplier shall provide reasonable assistance to Client or the Successor Suppliers with the handover of operation responsibility including providing assistance and cooperation in the preparation and execution of a parallel operation, data migration and testing process during the Termination Transition Period.
- (viii) Supplier shall provide information concerning Software, types and skills of employees, third parties, and other resources used by Supplier to provide Services, as may be necessary for Client or a Successor Supplier to assume responsibility for the Services.
- (ix) Subject to the terms of this Agreement, Supplier shall provide a complete and up-to-date, electronic copy of the Procedures Manual;
- (x) Supplier shall provide other technical assistance related to transfer of the Services as reasonably requested by Client or a Successor Supplier
- (xi) Supplier shall identify significant risk factors relating to the transfer of the Services and, with the agreement of Client, shall prepare recommended plans and contingencies to mitigate such risk to the extent it applies to the Services provided by Supplier; assist Client or a Successor Supplier in identifying other significant risk factors relating to the transfer of the Services.
- (xii) Supplier shall identify Projects and other work expected to be in progress, if any, as of the date of termination or expiration. With respect to such work, Supplier shall document current status, stabilise for continuity during transfer, and provide any required training to achieve transfer of responsibility without loss of momentum and to achieve an orderly hand-off.

- (xiii) Supplier shall, in accordance with the Agreement, return to Client any remaining property of Client in Supplier's possession or under Supplier's control, including any remaining materials.
- (xiv) Supplier shall document and provide Client and its Successor Suppliers details of Supplier's participation in Business Impact Assessments and Business Continuity Plan.
- (xv) At the request of Client, Supplier will provide appropriate knowledge transfer to the Successor Supplier who will be assuming responsibility for performance of the Services previously provided by Supplier under the Agreement. This knowledge transfer shall include the following activities and shall be described in the Termination Transition Plan:
  - (A) providing to Client or Successor Supplier personnel training in the performance of the Services that are to be transferred;
  - (B) providing to Client or its Successor Suppliers such information regarding the Services as is reasonably necessary to implement the Termination Transition Plan;
  - (C) providing to Client or its Successor Suppliers such information regarding the Services as reasonably necessary to assume responsibility for continued performance of Services in an orderly manner so as to minimise disruption in the operations of Client, including:
    - (1) the documentation related to the Equipment, Software, and any other Materials to be provided by Supplier; and
    - (2) key support contacts (names, business phone numbers, fax numbers, e-mail addresses and business postal addresses) of Third-Party personnel and Supplier personnel during the transfer; and
  - (D) explaining the then-current Change management process (including the Change and New Service Procedures), problem management process, Procedures Manual, reports and other standards and procedures to Client's or a Successor Supplier's personnel.

## **6.0 Client's Successor Suppliers**

- (a) If and to the extent that it is proposed by Client that any Successor Supplier shall assume responsibility for any of the Services, Supplier shall provide such Successor Supplier with such information regarding the Services as is reasonably prudent or necessary in order for such Successor Supplier to evaluate, assume

responsibility for, provide pricing for, and continue the performance of, the Services in an orderly manner, provided that no financial information of Supplier, including pricing, shall be made available.

- (b) Client shall ensure that any such Successor Supplier complies with all obligations of Client under the Agreement to the extent applicable including without limitation obligations relating to confidential information.
- (c) Where in this Schedule or in the Termination Transition Plan, Client is given a right, that right shall also be given to a Successor Supplier (but only for the benefit of Client) and both Client and the Successor Supplier shall be entitled to exercise that right (in the case of a Successor Supplier only for the benefit of Client).
- (d) Where in this Schedule or in the Transition Plan, Client has an express obligation, that obligation may be fulfilled by either Client or a Successor Supplier, and fulfilment of an obligation by a Successor Supplier shall discharge Client's obligation.
- (e) Where in this Schedule or in the Transition Plan, Supplier has an obligation towards Client, it shall be construed to mean that such obligation may be fulfilled by either Supplier or Supplier Subcontractors approved in accordance with the terms of the Agreement, unless provided otherwise by applicable Law.

## **7.0 Miscellaneous**

- (a) Supplier will continue to provide all Service delivery in accordance with the Agreement until given explicit instructions by the Client to discontinue or reduce such Service delivery.
- (b) During the performance of the Termination Transition Services, Supplier will perform the Services until they have been transitioned in accordance with the Termination Transition Plan and the provisions of the Agreement will continue to apply during such period.
- (c) As Supplier performs such Termination Transition Services, Supplier shall:
  - (i) continue to provide the Services in accordance with the Service Levels; and
  - (ii) allow no unplanned material impact or disruption to the Services being delivered to Client, except where such disruption or impact is a consequence of any Exit Direction by Client.
- (d) If Supplier anticipates any material disruption or impact to the Services (including any impact on the Service Levels) as a result of any Exit Direction, it shall notify Client of that possible impact or disruption and Supplier shall comply with Client's decision:

- (i) that Supplier will comply with the Exit Direction regardless of the anticipated disruption or impact, in which case Supplier shall be relieved of any failure to provide, or delay in providing, the Services in accordance with this Agreement (including performance in accordance with the Service Levels) to the extent that such failure is caused by compliance with the Exit Direction; or
  - (ii) that Supplier will comply with a revised Exit Direction that the Parties agree would not cause such disruption or impact; or
  - (iii) to proceed to comply with its other obligations in this Schedule as if the Exit Direction had not been given.
- (e) Once the Termination Transition Services have been completed, Supplier shall, designate, if available, a duly qualified and informed employee of Supplier to act as a continuing contact for a period of no less than six (6) months for the purposes of answering questions and inquiries made by Client and its Successor Suppliers.

## 8.0 Payment

Client shall pay Supplier for Termination Assistance as follows:

- (a) Client shall continue to pay Supplier in accordance with this Agreement for Services provided by Supplier. Such payment for Services shall be reduced as Services and workloads are transitioned in accordance with the Termination Transition Plan.
- (b) To the extent that Supplier can provide Termination Assistance with the personnel and other resources then dedicated to the Client account under this Agreement without increasing its costs and without detriment to its ability to meet the Service Levels, then Client will not be required to compensate Supplier for any amounts in addition to the amounts then being paid to Supplier for the Services.
- (c) If:
  - (i) Supplier is required to utilize resources in providing such Termination Assistance other than as contemplated by 8(a) and (b) above, or
  - (ii) Client extends the Termination Transition Period beyond the date specified in the Termination Transition Plan,
 then Client shall compensate Supplier in accordance with the Rate Card rates.
- (d) However, at its option, Client may elect in lieu of compensation referred to in this Section 8:
  - (A) to relieve Supplier from its obligations in whole or in part under the Service Level regime set out in the SOW; or



- (B) to reprioritize delivery of the Services to allow Supplier to perform its Termination Assistance Services.



**HYDRO ONE**  
**REQUEST FOR PROPOSAL**  
**SCHEDULE 16.1**  
**FEE METHODOLOGY**

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## PRICING AND PAYMENT PROVISIONS

### 1.0 GENERAL

#### 1.1 References

All references in this Schedule to articles, sections and schedules shall be to this Schedule, unless another reference is provided.

#### 1.2 Definitions

All capitalized terms not defined in this Schedule will have the meanings defined in the Agreement.

Whenever used in this Schedule, the following terms will have the corresponding meanings set out below:

**[Note to Supplier: As part of the drafting process, all relevant definitions currently found in Common Exhibit 1 and used in this Schedule are to be incorporated in this Section 1.2.]**

#### 1.3 Purpose

Article 16 of the Agreement sets forth the certain pricing and payment provisions. This Schedule sets forth certain general pricing and payment provisions that (i) supplement Article 16 of the Agreement and (ii) may support and apply, in general, to all Statements of Work under the Agreement.

### 2.0 OVERHEAD

Functions that are provided by Supplier as part of Supplier's overall project management and contract management are non-chargeable. The costs of such functions are included within the Base Charges (as well as the ARC Rates and RRC Rates) and the Skill Set Rate Card rates. Any Resource Units expended in performing Overhead Functions shall not be included in any calculation or measurement of the Resource Units used in determining ARCs or RRCs. In addition, Overhead Functions shall not constitute a Project or New Services or otherwise be chargeable to Client. Without limitation, examples of such non-chargeable Overhead Functions include the following:

- (a) All Supplier managers not dedicated to the client account but excluding Client authorized project managers and Supplier Personnel allocated to a Project.
- (b) All Transition and Transformation activities (such as project management, training, process implementation, governance, planning, and knowledge-transfer) except for Transition and Transformation one-time Charges specified in Attachment A to Exhibit 3 to the applicable SOW.

- (c) Performance of any Supplier back office functions.
- (d) Performance of monitoring, measurement and reporting activities to measure Supplier's performance and resource usage, including Service Level administration, monitoring, and metrics/measurement tools.
- (e) Performance of any resource management activities, such as resource management or administration, staffing and human resources-related functions.
- (f) Performance of any account management functions required in addition to any dedicated Supplier Personnel, such as performing as a member of Supplier's pricing, financial or accounting teams.
- (g) Performance of any administrative functions, such as billing functions, administrative and secretarial assistance, promotion, publicity and internal management.
- (h) Performance of quality assurance activities to monitor Supplier's performance and ensure internal Supplier compliance with standards e.g. IOS (International Organization for Standardization).
- (i) Performance of any error correction or defect rectification.
- (j) Provision of management reporting (both internal and to Client) as required under the Agreement.
- (k) All planning-related activities (technology, business, financial/budget, etc.)
- (l) Performance of all activities required to train Supplier Personnel, including skills training, orientation on all applicable Client safety, security, and environmental rules, policies and procedures, and orientation to the Client environment.
- (m) Performance of project management activities to monitor Supplier's performance, such as the implementation, application, or execution of project management methodologies (excluding Services constituting project management as a part of a Billable Project), the development, implementation, and execution of training programs for Supplier Personnel and the customization of standard project management processes and methodologies.
- (n) Implementation of activities and tools to promote efficient use of service delivery resources.
- (o) Performance of work to develop action plans as a result of any Service Level Default and work associated with re-runs that are the result of fault

of Supplier or for which Supplier is otherwise responsible for the cost of performing under the Agreement.

- (p) Activities and tools implemented by Supplier either at its discretion or as required to meet its obligations under the Agreement.
- (q) Management of Third-Party relationships and resources as required under the Agreement.
- (r) Preparation of all cost estimates and proposals for Projects and New Services.
- (s) Performance of activities associated with transitioning Supplier Personnel to the Client account, including with respect to new or replacement Supplier Personnel, all associated knowledge transfer, and training that is necessary or appropriate for the provision of the Services.

### **3.0 PRICING STRUCTURE**

#### **3.1 Monthly Base Charge and Monthly Service Charge**

- (a) The “**Monthly Base Charge**” for each Resource Baseline shall mean the charges applicable to the quantity of Resource Units included in the Monthly Resource Baseline Volume for such Resource Baseline. The Monthly Base Charge applicable to each Resource Unit for the Monthly Resource Baseline Volumes is set forth in Attachment A to Exhibit 3 to the applicable SOW. For each calendar month, Supplier shall invoice Client the Monthly Base Charge for the applicable month in accordance with this Exhibit and the Agreement.
- (b) The “**Monthly Service Charge**” shall equal the sum of the Monthly Base Charges for a given month. The Monthly Service Charges shall be computed on a monthly basis and prorated for any partial month, unless expressly stated otherwise in the Agreement.
- (c) The Monthly Service Charge under the Agreement shall be prorated on a per diem basis based on the number of calendar days the applicable Services are provided by Supplier to Client in the relevant month.
- (d) The Monthly Service Charges include all costs and expenses, including Personnel, Equipment and Software costs and expenses (except where such costs are marked as the responsibility of Client in Attachment B to Exhibit 3 to the applicable SOW that Supplier incurs in performing the Services, including travel and travel-related expenses, lodging, document reproduction and shipping, and long-distance telephone (other than Pass-through Charges and One-Time Charges). Accordingly, all such costs and expenses shall be Supplier’s responsibility and shall not be separately reimbursable by Client unless and to the extent (i) such costs and expenses

are specifically expressed in this Schedule 16.1, or (ii) elsewhere in the Agreement as being chargeable separately.

- (e) Except as specifically provided elsewhere in the Agreement, all Services without specific Charges or methodologies specified in this Schedule 16.1 are not separately chargeable by Supplier. For clarity, Cross-Functional Services do not have a separate Monthly Base Charge. The Charges for such Services are included within the Monthly Base Charges for the Services to which the Cross-Functional Services relate. Exceptions occur within Business Continuity and Disaster Recovery which has a separate Resource Unit and for UAT when requested by Client to be charged through Discretionary Hours. Other than with respect to the Cross-Functional Services, Supplier specifically confirms that Supplier should not include any cross-subsidization between Statements of Work.
- (f) Without limiting the generality of the foregoing, Supplier acknowledges and agrees that it is solely responsible for managing its resources (including any contracted resources) so as to provide the Services in accordance with the Agreement, including the Service Levels, regardless of the volume of the Services and the number of resources required to provide the Services.

### 3.2 **Additional Resource Charges (ARC) and Reduced Resource Credits (RRC)**

- (a) **ARC Rates and RRC Rates:** ARC Rates are equal to RRC Rates for all Resource Baselines.
- (b) **ARC/RRC Reporting:** The Supplier shall track the number of Resource Units, based on the definitions of billable Resource Units as set forth in Attachment C to Exhibit 3 to the applicable SOW utilized by Client during each calendar month of the Term and any Termination Transition Period. The Supplier shall provide such information for each calendar month to Client with the reconciliation for such month against the Resource Baselines.
- (c) **Application of ARCs and RRCs:** ARCs and RRCs apply to all Resource Baselines for which an ARC Rate and RRC Rate is specified in Attachment A to Exhibit 3 to the applicable SOW.
- (d) **Calculation of ARCs for Resource Baselines:** If an Actual RU in a calendar month for a Resource Baseline is greater than the applicable Monthly Resource Baseline Volume for such Resource Baseline, then Client shall pay Supplier an ARC equal to the sum of the products of the ARC Rate listed in Attachment A to Exhibit 3 to the applicable SOW for the applicable ARC Tier and Client's incremental consumption of each applicable ARC Tier.
- (e) For Example, if the Resource Baseline is 1,000 Resource Units (RUs):



ARC Tier 1 is 1,001 – 1,250 RUs  
 ARC/RRC Tier 1 Rate is \$100  
 ARC Tier 2 is 1,251 – 1,500 RUs  
 ARC/RRC Tier 2 Rate is \$90  
 Client's actual consumption is 1,400 RUs  
 Total ARCs =  $250 \times \$100 + 150 \times \$90$   
                   =  $\$25,000 + \$13,500 = \$38,500$

- (f) Calculation of RRCs for Resource Baselines: If an Actual RU in a calendar month for a Resource Baseline is less than the applicable Monthly Resource Baseline Volume for such Resource Baseline, then Supplier shall credit Client with a RRC equal to for the sum of the products of the RRC Rate listed in Attachment A to Exhibit 3 to the applicable SOW for the applicable RRC Tier and Client's decrease in consumption of each applicable RRC Tier.

- (g) For Example, if the Resource Baseline is 1,000 Resource Units (RUs):

RRC Tier 1 is 750 – 999 RUs  
 ARC/RRC Tier 1 Rate is \$100  
 RRC Tier 2 is 500 – 749 RUs  
 ARC/RRC Tier 2 Rate is \$90  
 Client's actual consumption is 600 RUs  
 Total RRCs =  $250 \times (\$100) + 150 \times (\$90)$   
                   =  $(\$25,000) + (\$13,500) = (\$38,500)$

- (h) **Invoicing of ARCs and RRCs:** Supplier shall be responsible for calculating and recording all ARCs and RRCs due and for reflecting these amounts on Supplier's invoice for the month in which such ARCs and RRCs were used. All applicable ARCs and RRCs for each Resource Baseline for a particular month shall be presented in one invoice per Domain. ARCs and RRCs shall be calculated using the ARC Rates and RRC Rates applicable in the month the ARC or RRC was incurred.

### 3.3 Local Currency

- (a) Supplier agrees to provide Charges in CAD (Canadian Dollars). Supplier further commits to invoice Client based on the invoicing practices articulated in Section 6.1 of this Schedule.

### 3.4 Assumed Efficiencies

- (a) Supplier shall implement various programs through the execution of the Transition Plan and ongoing Transformation activities, which shall identify budget efficiency opportunities for Client to reduce the number of unused Resource Units and to enable utilization to shift from higher cost Resource Units to lower cost Resource Units, as well as other programs that can result in further reduced overall Charges.

- (b) Supplier has made certain assumptions regarding the delivery of the Resource Units and other efficiencies, which Supplier shall be obligated to achieve over the term of the contract.
- (c) Supplier agrees that it assumes the risk of the validity of these assumptions, such that Supplier delivers the volume and types of Services described in the Resource Baselines for the Monthly Service Charges associated with those Resource Baselines.
- (d) In addition, Client shall not be charged any additional Charges (nor shall the Service Levels be adjusted) as the result of the Supplier's failure to accomplish or complete these efficiencies.
- (e) The Supplier will advise Client's management of each opportunity that is identified and will estimate the potential savings.

## 4.0 ADJUSTMENTS TO CHARGES

### 4.1 Adjustments for Inflation and Deflation

- (a) **General:** Supplier shall calculate and apply an adjustment to the Charges based upon economic inflation or deflation changes (each such adjustment an "**Economic Change Adjustment**" or "**ECA**") as described below. The ECA will be applied on a prospective basis on the Monthly Base Charges, Unit Rates, ARC and RRC Rates; Skill-Level Rate Cards rates ("**Applicable ECA Charges**"). For the avoidance of doubt, all other Charges shall not be subject to an ECA and shall be fixed and firm during the Agreement term.
- (b) The ECA shall be determined by the Supplier and submitted to Client for approval as soon as practicable, but by no later than sixty (60) days, after the end of each applicable anniversary of the Agreement Effective Date using the formula set forth below.
- (c) Supplier shall apply the ECA, if any, to the Applicable ECA Charges starting on the first monthly invoice for Client fiscal year after the first Contract Year of the Agreement.
- (d) **Economic Change Index.** The Inflation Index shall be a government-published index that reflects movements in a broad-based consumer-focused price index as set forth below:  
  
CPI – Ontario excluding energy v41692050
- (e) In the event that the publishing entity stops publishing the Economic Change Index (or a component thereof) or substantially changes its content and format, Client and Supplier will substitute a comparable index published at least annually by a mutually agreeable source.

- (f) If the publishing entity redefines the base year for the Economic Change Index to another year, Client and Supplier will continue to use the Economic Change Index, but will convert the base year index to the new base year by using an appropriate conversion formula.
- (g) **Index Month:** The month used for calculating the ECA Factor shall be the Economic Change Index published for the month of the Contract Year Anniversary during the Agreement Term and any Termination Transition Period (the “Index Month”).
- (h) **ECA Factor:** The “ECA Factor” for a given year is determined as follows:
  - (i) If the Economic Change Index published for the Index Month in any calendar year (“ECI Current Index”), is equal to the Economic Change Index published for Index Month in the prior calendar year (“ECI Base Index”), then there shall be no ECA applied to the Applicable ECA Charges.
  - (j) If the ECI Current Index is less than or greater than the ECI Base Index, then an ECA Factor shall be calculated by subtracting the ECI Base Index from the ECI Current Index, and then dividing such amount by the ECI Base Index, subject to Section 2.3.8 above.
 
$$\{(ECI \text{ Current Index} - ECI \text{ Base Index}) / ECI \text{ Base Index}\}$$
  - (k) The ECA Factor shall be expressed to a precision of two decimal places. For rounding purposes, thousandths above x.005 will be increased to the next hundredth.
  - (l) **Examples of ECA Factor Calculation:**

For example, if June 2013 Economic Change Index is 180 and the June 2014 Economic Change Index is 190.8, then for the calendar year beginning January 2015, the ECA Factor would be  $(190.8-180)/180 = 6\%$  for the Applicable ECA Charges;

For example, if June 2013, Economic Change Index is 180 and June 2014, Economic Change Index is 178, then for the calendar year beginning January 2015, the ECA Factor shall be  $(178-180)/180 = -1.11\%$  for the Applicable ECA Charges.

For example, if the June 2013 Economic Change Index is 180 and the June 2014 Economic Change Index is 183.6, then for the calendar year beginning January 2015, the ECA Factor shall be  $(183.6-180)/180 = 2\%$  for the Applicable ECA Charges.

- (m) **Inflation Sensitivity Index.** The “Inflation Sensitivity Index” is defined as the portion or percentage of the Supplier charges that are inflation sensitive, as set forth in Attachment A to Exhibit 3 to the applicable SOW.

The Client approved ECA Factor and the Inflation Sensitivity Factor shall be applied as of the first of the month at the beginning of the following Contract Year to the Applicable ECA Charges in the following manner:

Each Monthly Base Charge will be recalculated by (A) multiplying the existing Monthly Base Charge by (1) the Inflation Sensitivity Factor and then by (2) the ECA Factor, and then (B) adding the amount determined under clause (A) to the existing Monthly Base Charge;

Each ARC / RRC Rate will be recalculated by (A) multiplying the existing ARC / RRC Rate by (1) the Inflation Sensitivity Factor and then by (2) the ECA Factor, and then (B) adding the amount determined under clause (A) to the existing ARC / RRC Rate; and

Each rate on a Skill Level Rate Card rate will be recalculated by (A) multiplying the existing rate by (1) the Inflation Sensitivity Factor and then by (2) the ECA Factor, and then (B) adding the amount determined under clause (A) to the existing rate.

- (n) Examples of ECA Calculations:

For instance: If Client’s fiscal year is also the calendar year and if the Agreement Effective Date was June 2010, then after the first anniversary on June 2011, the Supplier shall perform the ECA calculations and submit the results to Client for approval no later than the end of August 2012. After approval by Client, the results of the ECA calculation would be applied to the Applicable ECA Charges as of the January 2013.

- (o) For Example: For the Applicable ECA Charges, assume:

- ECA Factor equals 4.44%
- Inflation Sensitivity Factor equals 98%
- Monthly Base Charge equals \$100
- ARC Rate and RRC Rate equals \$10
- Skill Level Rate Card Rate equals \$10

- (p) New Monthly Base Charge rate would be:

$((\text{Existing Monthly Base Charge}) * (\text{Inflation Sensitivity Factor}) * (\text{ECA Factor})) + \text{Existing Monthly Base Charge}$

$((\$100) * (98\%) * (4.44\%)) + \$100 = \$104.35$

- (q) New ARC Rate, RRC Rate, or Skill Level Rate Card rate would be:

((Existing ARC Rate or RRC Rate or Skill Level Rate Card rate) \* (Inflation Sensitivity Factor) \* (ECA Factor)) + Existing ARC Rate or RRC Rate or Skill Level Rate Card rate

$$((\$10) * (98\%) * (4.44\%)) + \$10 = \$10.44$$

(r) In the subsequent year, assume:

- ECA Factor equals 2.00%
- Inflation Sensitivity Factor equals 98%
- Monthly Base Charge equals \$104.35
- ARC Rate, RRC Rate or Skill Level Rate Card rate equals \$10.44

(s) New Monthly Base Charge rate would be:

$$((\$104.35) * (98\%) * (2\%)) + \$104.35 = \$106.40$$

(t) New ARC Rate, RRC Rate or Skill Level Rate Card rate would be:

$$((\$10.44) * (98\%) * (2\%)) + \$10.44 = \$10.64$$

(u) Regardless of the amount of actual ECA, no Applicable ECA Charges shall be increased by more than the lesser of:

- The average percentage increase of the applicable inflation index over the preceding three calendar years, OR
- The actual inflation index for the previous calendar year.

(v) ECA applies during any extension or renewal years.

#### 4.2 Taxes

(a) Each Party shall be financially responsible for taxes as provided in Section 16.8 of the MSA.

### 5.0 RESOURCE BASELINES

#### 5.1 General

(a) Resource Baselines and Resource Units: For each Resource Unit (RU), the corresponding resource measurement for each Resource Unit is documented as the Resource Baseline. All Resource Unit consumption shall be measured on a calendar month basis.

(b) The “Monthly Resource Baseline Volume” for a Resource Baseline shall mean the quantity of Resource Units corresponding to such Resource Baseline, which is included in the Monthly Base Charge. The Monthly Resource Baseline Volumes for each Contract Year of the Agreement

Term are set forth on the Resource Baselines tab of Attachment A to Exhibit 3 to the applicable SOW.

- (c) Upon the applicable Commencement Date for each Resource Unit and during each month thereafter, Supplier shall measure, track, and report on the number of Resource Units utilized by Client in accordance with the Resource Unit definitions (“RUs”) during each calendar month.
- (d) The value of the RUs shall be expressed to a precision of two decimal places unless otherwise specified in Attachment A to Exhibit 3 to the applicable SOW. For rounding purposes, thousandths above x.005 will be increased to the next hundredth.
- (e) Client may increase or decrease the Resource Unit usage volume for each applicable Resource on a monthly basis; Base Charges may be adjusted only by agreement of the Parties.
- (f) Supplier shall provide Client with details about Actual RUs, historical and forecast, on a monthly basis and provide explanations for variances beyond historical and forecast trends.

## **6.0 FINANCIAL DOCUMENTATION**

### **6.1 Invoicing and Payment**

- (a) Monthly Invoice Detail: Supplier shall provide invoices for the Services with at least as much supporting detail as required by the Agreement, and as set forth in Common Exhibit 4 and such other details and billing information as is necessary to satisfy Client’s internal accounting requirements. Supplier shall provide the invoices in the format approved by Client, which shall be based on the form as set forth in Common Exhibit 4.
- (b) Monthly Invoices: As set forth in Common Exhibit 4.
- (c) Invoice Format Minimum Requirements: As set forth in Common Exhibit 4.
- (d) Consolidated Invoice Summary. Supplier shall provide a consolidated monthly summary of all invoices delivered to Client in the current month.
- (e) Delivery: The invoices shall be delivered to Client at the address provided in Section 16.2(b) of the MSA and electronically, as requested. Supplier shall not invoice Client for any advance charges. Supplier shall not charge any amounts relating to a given Contract Year later than sixty (60) days following the end of that Contract Year.

- (f) Additional limits on time permitted to invoice and terms of payment are also set out in Section 16.2 of the Agreement.

## **7.0 PROJECTS**

At any time during the term of the Agreement, Client may, in accordance with Schedule 3.1(a), issue a Project Order to Supplier.

Supplier shall scope, calculate and propose the charges for the services Requested in such Project Order in accordance with the methodology set forth in Schedule 3.1(a).

The Charges for such requested Projects can be either Fixed Fee or Time and Materials (T&M). All Project costs will be documented and invoiced separate from Base Services. Client shall not be liable for any Charges related to any work performed unless such work is approved in advance by way of a Project Order.

### **7.1 Time and Materials Charges**

- (a) The Charges for any Services described in the applicable Project Order as T&M Charges shall be determined as follows:

The T&M Charges for each individual Supplier Personnel shall be the product of (i) the number of Billable Hours that such individual devoted to providing Project work at a Skill-Level as set out in the specific Statement of Work

*multiplied by*

(ii) the hourly rate as set forth for the corresponding Skill-Level within the specific Statement of Work in Attachment A to Exhibit 3 to the applicable SOW.

- (b) No premiums for overtime, off-shift or holiday work shall apply to the T&M rates unless approved in advance by the Client.
- (c) The Charges set forth in Attachment A to Exhibit 3 to the applicable SOW shall include all costs required by Supplier staff in performing the Services described in the Project Order. For the avoidance of doubt, Supplier will not be reimbursed above and beyond what is included in the Rate Card for any employee out of pocket expenses.
- (d) Any T&M rate that is not included in Attachment A to Exhibit 3 to the applicable SOW shall be pre-approved in writing by Client and set forth in the applicable Project Order.
- (e) T&M invoicing is subject to the following conditions:

If the Parties have expressly agreed on a maximum number of Billable Hours or maximum Charges in the applicable Project Order, Supplier will not charge for any Billable Hours or amounts beyond such maximum except as may be agreed by the Parties through the Change and New Services Procedures. Such a cap represents the maximum amount that may be charged even if the actual effort expended by Supplier Personnel to perform the Services would otherwise have resulted in higher Charges.

- (f) For the avoidance of doubt, Supplier must complete the Projects and provide the Deliverables specified in the applicable Project Order (excluding any Project Changes requested by Client and agreed to through the Project Change Procedures) without invoicing Client for more than the specified cap, even if Supplier incorrectly estimated the resources or level of effort required to perform such Projects or provide such deliverable.
- (g) Except as otherwise approved in writing by Client, the maximum number of hours Supplier may invoice Client in any month for a single authorized position shall not exceed the number of Business Days in such month multiplied by eight (8) hours. As used in this subsection, "position" means an authorized Skill-Level specified in either the applicable Project Order or Attachment A to Exhibit 3 to the applicable SOW.
- (h) The Parties shall agree to hold back procedures listed in Section 4.0 of Exhibit 3 to the applicable SOW, unless otherwise agreed by the Client in the Project Order.

## **7.2 Fixed Fees**

The Charges for Projects to be provided as Fixed Fees shall be firm and fixed and subject to the following terms:

- (a) Supplier shall perform the Project Services in the applicable Project Order for the Fixed Fees set forth in the applicable Project Order, plus any additional Charges resulting from Project Changes requested by Client and agreed to through the Project Change Procedures.
- (b) Fixed Fees are not adjusted based on the actual time expended by Supplier Personnel in the performance of the Project Services.
- (c) Unless otherwise specified in the Project Order, Supplier shall invoice the Fixed Fees in accordance with Client's Acceptance of the deliverables or Milestones specified in the applicable Project Order.
- (d) If the Project Order indicates the amount of the Fixed Fees associated with a Deliverable or Milestone, Supplier may only invoice such amounts after Client's Acceptance of such Deliverable or Milestone.



- (e) If the Project Order does not specify the amount of the Fixed Fees associated with any Deliverable or Milestone, then once Client accepts all of the Deliverables or Milestones that were to be completed in a specific month, Supplier shall invoice the portion of the Fixed Fees allocated to that month, in the month following Acceptance.
- (f) The Parties shall agree to hold back procedures listed in Section 4.0 of Exhibit 3 to the applicable SOW, unless otherwise agreed by the Client in the Project Order.

## **8.0 DISCRETIONARY HOURS**

- (a) The Charges and Baselines for Discretionary Hours are set out in Attachment A to Exhibit 3 to the applicable SOW. Supplier shall perform approved Discretionary Hours activities requested by Client as part of the Discretionary Hours Resource Unit.
- (b) No more than 200% of the monthly Baseline Discretionary Hours can be used in a month.
- (c) Discretionary Hours will be tracked monthly by the Supplier and will be calculated annually at the end of each Contract Year.
- (d) Except for the variances identified in Section 8(c) above the Supplier will utilize the ARCs and RRCs methodology as per Section 3.2 above for Discretionary Hours.

## **9.0 SERVICE CONTINUITY SERVICES**

Supplier will provide all business continuity Services set out in Article 10 of the Agreement, except for Supplier's obligations under Sections 10.5(c) and (d), at no additional cost to Client. Upon request from Client, Supplier shall provide additional temporary resources to support the Client Business Impact Assessment and Client's business continuity plans in accordance with Section 10.5(c) and (d) of the Agreement. Such additional temporary resources will be charged according to Section 7.0 (Projects) of this Schedule 16.1.



**HYDRO ONE**

**REQUEST FOR PROPOSAL**

**SCHEDULE 3.1(A)**

**PROJECT METHODOLOGY**

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**Proponent Instructions**

Refer to Section 4A of the RFP document.

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## INTRODUCTION

This Schedule sets forth the Services and processes related to Projects.

For all the Projects, the Supplier shall integrate all services related Projects and aggregate Services related to Projects with other Services as required, at no additional cost to the Client.

### 1.0 DEFINITIONS

- 1.1 All capitalized terms not defined in this Schedule will have the meanings defined in the Agreement.
- 1.2 Whenever used in this Schedule, the following terms will have the corresponding meanings set out below:
  - (a) **[Note to Supplier: As part of the drafting process, all relevant definitions currently found in Common Exhibit 1 and used in this Schedule are to be incorporated in this Section 1.2.1.]**

### 2.0 PROJECT MANAGEMENT AND SUPPORT

Project management and support will align projects to Client requirements and deliver Project(s) to Project requirements in terms of timing, quality, and cost.

#### 2.1 Project - General

The Supplier's responsibilities will include:

- (a) Maintaining appropriate levels of industry knowledge in Client's business in order to provide support and recommendation of Projects. The knowledge will be obtained and maintained through, among other activities, participation in industry meetings, forums, and conferences at Supplier expense.
- (b) Adhering to Client's Project initiation and release of work process/procedures described in this Schedule.
- (c) Preparing proposals and plans to meet Client business requirements for Projects as requested by Client or as appropriate based on providing the Services. Such proposals and plans will include:
  - (i) The business requirements for the work and the Deliverables desired and required.
  - (ii) The functional and technical approach and solution to meet the business requirements.

- (iii) Clearly identified Client requirements that are not included in the scope of the proposal.
- (iv) The quantitative and qualitative benefits received by Client as a result of performing the Project.
- (v) The initiator of the project request or proposed Project (either the Client or the Supplier).
- (vi) The total number and types of resources by skill level/role required for the Project. The total Project management effort included in the proposal.
- (vii) A description of any Equipment, Software, or other materials required for the Project and ongoing support.
- (viii) A detailed description of any incremental or reduction in sustainment costs, where applicable.
- (ix) The planned Project completion date and the total elapsed time to complete the Project, and any time constraints or material assumptions.
- (x) Details about any Client Dependencies and intersection or conflicts with other Projects.
- (xi) The total cost of the Project (including fees paid to the Supplier as well as any Retained Expenses), the timing of any payments, and whether the cost is included in the Base Charges.
- (xii) The ongoing annual cost of the Project post-implementation (including fees paid to the Supplier as well as any Retained Expenses and Pass-Through Expenses), the timing of any payment(s), and whether such cost impacts the Base Charges.
- (xiii) Any material assumptions related to the Project, which could impact charges, including any support required from Client or its Third-Party Vendor(s).
- (xiv) Any other provisions necessary to describe the work needed.
- (xv) An indication of the Supplier's role and responsibility in managing a third party or in receiving deliverables from a third party, if applicable.
- (xvi) A list of Project stakeholders and a Project RACI chart.

- (xvii) Identification and description of the Project risks. A rating of the relative risk to the Project, including Supplier's mitigation plans.
- (d) After Client approves a Project, the Supplier will adhere to the Client's project management methodology to consistently plan, initiate, control, and implement all Projects.
  - (i) Adhere to the Client Project Governance Procedures and reporting requirements.
  - (ii) Provide Supplier Personnel that are experienced with the methodology and have a proven track record of success in using it to manage projects.
  - (iii) Obtain Client approval of the methodology prior to deployment, including recommendation of industry best practice for the Client's consideration.
- (e) Integrate Supplier's project management process with both Client's and Third-Party Vendors' Project management processes, where the processes interact, while adhering to Client's project delivery process to approve and execute Projects.
- (f) Integrate Supplier's project management process with Service management processes, especially release and deployment management, Project Change Process.
- (g) Upon request, participate in Client's business planning meetings to review operations and business plans, and recommend appropriate IT services and projects to support execution of such business plans.

### **3.0 PROJECT MANAGEMENT & FULFILLMENT**

#### **3.1 Definition**

- (a) Project management and Project Request fulfillment is the process of handling Projects throughout their lifecycle spanning request, proposal, agreement, implementation and closure.
- (b) Project Change Requests and the process for initiating, approving and implementing changes to a Project are included in Project management and Project Request fulfillment.
- (c) Project termination (for cause or convenience) is also included in Project management and Project Request fulfillment.

### **3.2 Scope**

- (a) The Supplier shall manage and oversee the Project management and Project Request fulfillment process across its Services and collaborate with the Client, SPOC, and other Suppliers to manage the Cross-Supplier Project Request fulfillment process.
- (b) The Supplier shall accept that, while some Project Requests may only affect the Services within the scope of the Supplier, there will be Project Requests that apply Cross-Supplier and require cooperation, coordination and joint work between the Supplier, SPOC and Third Parties as required to fulfill the request to meet the Clients requirements. Therefore the Project management and Project Request fulfillment activities as described in this Schedule do apply to all types of Project Requests (Cross-Supplier and Supplier).

### **3.3 General Considerations**

Where such Projects are governed by Service Levels, Supplier shall provide notice to the Client when Supplier becomes aware that the Project will not or may not meet the required Service Levels within three (3) days of such awareness.

- (a) Process Set-Up and Maintenance

The Supplier responsibilities shall include:

- (i) Establish and maintain a Project management and Project Request fulfillment process and tools, in accordance to the requirements defined by the Client, for the efficient and effective handling of Projects and Project Requests through the Project lifecycle.
- (ii) Ensure all linkages and related processes operate effectively, in particular the links to pricing, invoicing and payment. The process must conform to good practice for Project management and Project Request fulfillment, ensure Client requirements are met and align to the Client's Project Request fulfillment process, as defined, directed and approved by the Client.
- (iii) Integrate its Project management and Project Request fulfillment process and other Service Management Processes with the Cross-Supplier Project Request fulfillment process, subject to the Client's approval.
- (iv) Retain overall responsibility for all Projects and Project Requests allocated to Supplier until the Project Request is



completed and the Project is completed, subject to Client approval.

- (v) Subject to the Client's approval, establish and maintain Project and Project Request escalation procedures.
- (vi) Establish and maintain, in accordance with the requirements defined by the Client, a process and mechanism for expedited handling of high prioritized Project Requests based on the priority assigned by the Client.

(b) **Tooling**

- (i) Subject to the approval of the Client, provide a Project Request fulfillment tool including interfaces to the Cross-Supplier Project Request fulfillment tool and integration of applicable components (e.g., Software, Equipment, electronic mail, telephony, facsimile, web technologies).
- (ii) In addition, the Project Request fulfillment tool shall support the data exchange of information to the Client and, where appropriate, data to other Suppliers to establish and allocate end-to-end responsibility and ownership of each Project Request to a Supplier. All costs of creating and operating such interfacing are the responsibility of the Supplier.
- (iii) The requirement of the tools include, at a minimum:
  - (A) Providing a sophisticated tracking mechanism,
  - (B) Identifying Client personnel designated by Client to submit Project Requests,
  - (C) Capturing and managing information pertaining to the originator, submission and fulfillment,
  - (D) Tracking and reporting metrics associated with the Project Request fulfillment and Project during Project lifecycle and within each phase,
  - (E) Providing an interface to the Client's Project portal or dashboard, or equivalent capability as approved by the Client,
  - (F) Record all information, as required by the Client, on the details of the Project management and Project Request fulfillment.

- (iv) If the Supplier uses its own tool, it shall integrate the Project management and Project Request fulfillment management tool with the other Cross-Supplier and Service management processes and tools. The Supplier shall maintain a real time data flow and visibility with bi-directional interfaces. There should be no additional cost to the Client for any interface or bridge development, implementation, and support.
- (v) The Supplier shall implement monitoring and reporting of risk indicators as needed to monitor trends and emerging risks arising from Projects, as required by the Client.

(c) **Communications**

The Supplier shall facilitate information exchange between and among Third Party Vendors, as it relates to their Project activities.

(d) **Reporting**

The Supplier shall provide timely status update reports and summary reports to the Client at the frequency and in a format to meet the Client requirements.

### **3.4 Project Request By Client**

- (a) The Supplier shall utilize the Project Request fulfillment process implemented by the Client to accept Project Requests. The Supplier shall fulfill the roles assigned to the Supplier in the workflow for each Project Request within the required timeframe specified by the Client.
- (b) For Cross-Supplier Project Requests, the Supplier will work in an efficient and effective manner, cooperating with the Client and Third Party Vendors to fulfill such requests within the required timeframe specified by the Client.

### **3.5 Project Initiation**

- (a) Each Project Request submitted to Supplier shall provide a high level description of the scope, feasibility, Client requirements, and desired outcomes of the intended Project. Each Project Request will be completed by Client and shall address the following:
  - (i) a summary description of Client's business goals and Project objectives,
  - (ii) a summary description of the Project, including scope and purpose,

- (iii) a summary of Client's requirements, Deliverables and expected benefits for the intended Project,
  - (iv) a summary of the proposed implementation timeframes or Milestones (to the extent known) for the intended Project as they relate to Client's requirements or constraints,
  - (v) preferred pricing method,
  - (vi) other information that Client elects to identify,
  - (vii) at the Client's election, a requirements definition.
- (b) The Supplier shall provide the Client with written details of any failings of a Project Request to comply with requirements.

### **3.6 Project Definition**

The Supplier responsibilities shall include:

- (a) Providing to Client in response to each Project Request received, a Project Definition within the required timeframe specified by the Client.
- (b) Drafting each Project Definition in a clear and unambiguous manner and shall include sufficient information to allow the Client to make an assessment of whether it intends to proceed with the Project. Each Project Definition prepared by Supplier shall conform to the format and content requirements as defined by the Client.
- (c) Any failures to set out in sufficient detail the information required to enable Client to make an assessment of whether it intends to proceed with the Project, Supplier shall immediately remedy any such failings.
- (d) Client shall review each Project Definition received from Supplier and, confirm whether or not Client intends to proceed with the Project, or whether Client requires further information or revisions to the Project Definition so that it may further assess whether it intends to proceed.
- (e) In the event that Client requires changes to the Project Definition, Client may notify Supplier in writing of such required changes and/or provide a marked up version of the Project Definition. Supplier shall amend and resubmit its Project Definition in accordance with Client's requirements for Client's further consideration. This process shall be repeated as necessary until a Project Definition is mutually agreed or formally rejected by Client.

### 3.7 Project Orders

- (a) Upon acceptance of a Project Definition by Client, Supplier shall transfer the Project Definition into a Project Order following the format and content as required by the Client. **[Note to Supplier: Parties will agree on a form of Project Order prior to signing.]**
- (b) Supplier shall submit the Project Order to Client.
- (c) Client shall review the Project Order and notify Supplier whether Client requires further information or revisions.
- (d) In the event that Client requires revisions to the Project Order, Client may notify Supplier in writing of such required revisions and/or provide a marked up version of the Project Order. Supplier shall amend its Project Order in accordance with Client's requirements and resubmit the revised Project Order. This finalization process shall be repeated as necessary until a Project Order is mutually agreed or formally rejected by Client. An executed Project Order shall not be binding, however, until the Client issues a Purchase Order for the Project.
- (e) Client shall issue at its sole discretion a Purchase Order in accordance with Client procurement procedures to release the Project work to Supplier. For greater clarity, there will be no binding agreement among the Parties in respect of a Project Order, and Supplier will not commence any Project work thereunder, until Client has duly issued a Purchase Order in accordance with Client procurement procedures.

### 3.8 Project Order Implementation

- (a) Upon receipt of the Purchase Order from Client the Supplier shall execute the Project Order, perform the roles and responsibilities set out in the Project Order, adhere to Client Project Governance Procedures, as set out in that Project Order, and fulfill quality assurance and quality control requirements.
- (b) Once a Project Order has been executed by the Parties, the Project Order shall not be revised or modified except as agreed by the Parties in writing following the process and procedures applicable to Project Changes forming part of the Client Project Governance Procedures as set out in that Project Order (the "**Project Change Process**") or the Change and New Service Procedure, or both of processes, to the extent each process is applicable.
- (c) Supplier shall adhere to the process and procedure established by the Client for implementation and integration of Deliverables from a Project with sustained services described in a Statement of Work.

- (d) Supplier shall complete and submit all Deliverables for which it is responsible under a Project Order to Client for approval following a quality review by Supplier.
- (e) The Client acceptance criteria for Deliverables and Milestones related to a Project shall be set out in the Project Order.
- (f) The Project must fulfill the requirements and criteria established for each Project gate and must be accepted and approved by Client, in order for the Project to proceed to the next stage.
- (g) Supplier shall manage all Supplier tasks and resources associated with the Project, and coordinate activities with Client, and affected Third-Party Vendors.
- (h) Supplier shall manage Third Parties associated with the Project.
- (i) Supplier shall make any and all Changes associated with the Project in compliance with the Project Change Process.
- (j) Supplier shall communicate to Client Project status in accordance with the Client Project Governance Procedures, as set out in the applicable Project Order.

### **3.9 Project Change Requests**

- (a) During the term of the Project Order either the Client or Supplier may initiate a Project Change Request following the Client Project Governance Procedures set out in that Project Order that may impact the Project completion date, resource requirements, hours, costs, risks and assumptions.
- (b) For each Project Change Request, Supplier shall provide a Project impact assessment. Where a Project Change Request impacts or has the potential to impact Third Party Vendors in a Cross-Supplier Project the Supplier will engage the Third Party Vendors and Client in developing the Project impact assessment.
- (c) Where a Project Change Request is approved by Client, the Client will amend the Project Order and where applicable, the Client Purchase Order. The Supplier and any other Suppliers affected by the change will be notified upon finalization of the Project Change Request.

### **3.10 Project Closure**

Project closure shall be managed in accordance with the Client Project Governance Procedures.

### **3.11 Project Termination**

- (a) Unless otherwise agreed in the Project Order, Client may, by written notice to Supplier, terminate a Project Order without cause upon thirty (30) days' notice.
- (b) Where Client terminates a Project Order, no termination compensation shall be payable by Client arising from or in connection to such termination. All Charges due by Client for Services rendered up to the termination date will be paid by Client subject to Supplier substantiating the fees and providing all work product and Deliverables completed or in progress to Client, subject to Supplier substantiating the fees and providing all work product and deliverables completed or in progress to Client. Supplier shall take reasonable steps to mitigate such Charges.
- (c) In addition to any rights of termination set out in Article 14 of the Agreement, Client may by notice to Supplier terminate a Project for cause as from the date of service of notice if Supplier commits a material breach of the Project Order that is not remedied within ten (10) days after Client has given written notice requiring such breach to be remedied.



**HYDRO ONE**  
**REQUEST FOR PROPOSAL**  
**SCHEDULE 3.1(B)**  
**TRANSITION**

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**Proponent Instructions**

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## 1.0 TRANSITION

### 1.1 General

- (a) The activities required to transfer responsibility for the Services to the Supplier shall be completed in accordance with this Schedule.
- (b) The following Attachments are attached to this Schedule and are hereby incorporated by reference:
  - i. **Attachment I (Transition Plan Description). This document is used by the Supplier to describe the Transition Plan methodology, timing, and other aspects of the Transition to allow Client to evaluate the Proposal; and**
  - ii. **Attachment II (Transition Risk Management Plan). This document is used by the Supplier to describe the Transition risk management methodology and to list all known Transition risk and mitigation actions to allow Client to evaluate the Proposal.**
- (c) All capitalized terms not defined in this Schedule will have the meanings defined in the Agreement.
- (d) Whenever used in this Schedule, the following terms will have the corresponding meanings set out below:

**[Note to Supplier: As part of the drafting process, all relevant definitions currently found in Common Exhibit 1 and used in this Schedule are to be incorporated in this Section.]**

### 1.2 Transition Services

Performing a smooth transfer of Services to Supplier so as to continue to meet Client business requirements in a way that minimizes unplanned business interruptions, including:

- (a) Develop and implement the business processes described in the Agreement and each Statement of Work.
- (b) Assign or provide novation of Assigned Contracts as defined in Exhibit 1 to each Statement of Work.
- (c) Implement the invoicing and other financial provisions set out in Exhibit 3 to each Statement of Work.

- (d) Complete any facilities moves and implementing agreed physical security requirements.
- (e) Implement the Governance model described in Schedule 9.1.
- (f) Develop and implement required communications and organizational Change management plans, as well as the operational Change management processes required to implement the Transition Plan.
- (g) Provide the program and project management associated with the above activities.
- (h) Support the Client in the preparation of business readiness plans in the event that planned business interruptions extend beyond the scheduled outage period.
- (i) Participate in Transition planning meetings with Client and other Suppliers in the development of an overall Transition plan, as requested by Client.

## **2.0 TRANSITION PLAN**

### **2.1 General (Requirements for Proposal Response Instructions)**

**[Note to Supplier: Supplier will submit, for Client acceptance, an updated Transition Plan to Client prior to the Effective Date as part of the Proposal. It will also submit a detailed Transition Plan, including a Transition Plan Description and a Transition Risk Management Plan, which will contain reasonable modifications to reflect a granular level of detail required to carry out and project manage the Transition within the timing defined in Exhibit 2 to the applicable Statement of Work.]**

### **2.2 Transition Plan Description**

The Transition Plan description will identify the objectives, the scope, and all of the Transition tasks to be performed, the completion date for each Transition Milestone, the acceptance criteria to be applied by Client in evaluating Transition Deliverables, the allocation of responsibilities between the Parties, the specific resources to be provided by the Client and all other pertinent details. The Transition Plan will also describe what is out of scope for the Transition Project. The Transition Plan Description will show the required information for the Transition Project as a whole and separately and detailed for Client.

The Transition Plan description will include a thorough description of the following:

- (a) The Supplier's overall methodology and approach to complete Transition, including the Transition phases and dates of the phases relative to the Effective Date and Commencement Date;
- (b) The activities and the major Deliverables associated with Transition ("**Transition Deliverables**");
- (c) The acceptance criteria relating to each of the Transition Deliverables ("**Transition Deliverable Acceptance Criteria**");
- (d) The Milestone Deadlines related to each of the Transition Deliverables ("**Transition Milestones**");
- (e) How the Supplier will work with the Previous Service Providers and other Third-Party Vendors in a manner that will facilitate a seamless transfer of service (and clearly identify the risks it envisages and how its solution and approach mitigates the impact of these risks);
- (f) The roles and responsibilities of the Parties during the Transition period. For all tasks for which Supplier identifies Client Dependencies, Supplier will describe the level of Client effort anticipated, including an estimate of resources needed (number of hours, by role or title, by activity, and by month).
- (g) The methodology for knowledge transfer between the Previous Supplier, the Client and Supplier Personnel that will subsequently be responsible for the function, including:
  - i. The detailed timing of knowledge transfer activities, including identifying the knowledge assets, defining the transfer approach, interview schedules, shadowing requirements, sequencing, dependencies, constraints, and so forth;
  - ii. The methodology and timing for capturing/receiving knowledge assets, knowledge objects, documenting these assets and objects, and making them available to the Supplier Personnel and Client;
  - iii. Details on the timing and method for the Supplier to report to Client the progress and completion of knowledge transfer;
  - iv. The processes and methods the Supplier will use to help Client validate that a successful knowledge transfer has occurred such as specific exit criteria;
  - v. The process for arranging incumbent skilled resources to participate in the knowledge transfer activities as may be required;

- vi. A detailed, quantitative description of the effort required by Third Parties and Client to support the knowledge transfer process by phase / week / month of the Transition;
  - vii. The definition of skill profiles to which Supplier Personnel will comply and the proposed recruitment cycle, on-boarding, and training plan (if any);
  - viii. The precise details on how Supplier will involve Client in any assignment and hiring processes for the selection and staffing decisions regarding Supplier Personnel in Key Positions;
  - ix. The description of Software and tools to be deployed by Supplier to provide the Service, including any data loading or data migration activities required;
  - x. The Supplier's description of how access to critical infrastructure will be restricted to authorized personnel;
  - xi. The Supplier's description of how to handle insufficiently documented systems across all Statements of Work, including operational documentation;
  - xii. The space required within Client Service Areas, by site, including the number of desks, conference rooms, and any special requirements;
  - xiii. Necessary steps to define Supplier's description of change and release management, including allowances for testing and acceptance by Client;
  - xiv. A list of key assumptions made by Supplier in building the plan, specifically highlighting Client Dependencies;
  - xv. Indication that Supplier will not assume or rely on Client to dedicate any significant level of resources to the Transition unless expressly specified in the Transition Plan or the Agreement; and
  - xvi. Supplier's description of the process for revising the Transition Plan, including provisions to allow Client to oversee the process.
- (h) The Transition Plan shall explicitly make reference to the intended Supplier's use of any Software of Client, including anticipated seat usage volumes and integration activities. In the case of any required integration between Supplier and Client systems, the Transition Plan shall be explicit with regard to the cost of such integration effort and the anticipated support, involvement, and costs expected to be provided from Client.

- (i) In developing or changing the Transition Plan, Supplier will not impose any additional obligations on Client, or change the Client Dependencies specified in the draft Transition Plan (including their timing), without Client's approval.
- (j) Supplier will have responsibility for all costs associated with Supplier Personnel (including staff of any Supplier Subcontractors), Equipment, Software, or other resources required to execute and will manage the Transition Plan. Client shall only be responsible for the costs associated with Client Personnel participating in the Transition and only to the limit agreed by the Parties in the Transition Plan.

### 2.3 **Transition Project Plan**

- (a) The Supplier will develop an MS Project compatible Project plan as part of the Transition Plan, which will detail the specific tasks and activities to be performed as part of the Transition, including the name of each task or activity, the start and stop dates, the required resources, the dependencies between tasks, and the completion percentage ("**Transition Project Plan**").
- (b) The Supplier will consult with Client to add any Client tasks into the Transition Plan that are deemed necessary by the Parties to ensure a complete and integrated approach to Transition planning and project management.
- (c) The Supplier will consult with Client to add into the Transition Plan any Third-Party Vendor activities that are related to a multi-supplier environment and that are deemed necessary by the Parties to ensure a complete and integrated approach to Transition planning and Project Management.

### 2.4 **Transition Risk Management Plan**

- (a) Attachment II to Schedule 3.1(b) – Transition Risk Management Plan identifies potential risks, sets out a possible mitigation approaches, and identifies specific tasks the Supplier will undertake to help avoid identified risks connected with the Transition in order to provide for rapid recovery in case of any Incidents.
- (b) In addition, Supplier will clearly identify and promptly report to the Client Responsible Executive (or his or her designee) any risks identified and those mitigations that Client is responsible for implementing.
- (c) Supplier will maintain a Transition Risk Management Plan until all risk mitigation actions have been completed.

- (d) Supplier will develop, for Client approval, contingency plans for each identified risk that appears to be manifesting an actual or potential problem and that is not yet sufficiently covered by the agreed Transition Risk Management Plan.

## **2.5 Transition Implementation**

- (a) Supplier will perform all functions and services necessary to accomplish the Transition of the Services and operations on or before the specified completion dates defined in Exhibit 2 to the applicable Statement of Work.
- (b) Supplier will be responsible for the overall management of the Transition in accordance with the Transition Plan, as updated in accordance with this section or by agreement of the Parties, and will work to ensure the Transition is completed on schedule and to identify and resolve any problems encountered.
- (c) Until completion of Transition, Supplier will, acting reasonably, update and develop the Transition Plan; including addressing the items specified in Section 1.2 of this Schedule and the impact of issues identified by either Party. Supplier will also make changes to the Transition Plan as reasonably requested by Client from time to time and such changes will be incorporated via a formal change management process into the Transition Plan.
- (d) Supplier and Client will each perform its respective tasks in accordance with the Transition Plan.
- (e) Supplier will perform the Transition Services in a way that minimizes disruption to Client's business. In developing or changing the Transition Plan, Supplier will not impose any obligations on Client, or change Client Dependencies specified in the original Transition Plan (including their timing), without Client's approval.

## **2.6 Transition Deliverable Acceptance**

- (a) The Supplier will deliver each Transition Deliverable so it meets the associated Transition Deliverable Acceptance Criteria for acceptance by Client within the time frames described by the Transition Milestones.
- (b) Client will perform an acceptance test (and Supplier will assist, as requested by Client). If the relevant Transition Deliverable or Service element fails to be accepted, then Client will provide Supplier with written details of why acceptance failed at Client's discretion:
  - i. Supplier will re-perform the relevant part of the Transition, and the acceptance will be repeated. If not passed or accepted, then

Supplier will continue to re-perform the relevant part of the Transition until Client has provided acceptance of the Transition Deliverable.

- ii. Client may (in its discretion) accept any non-conforming Transition Deliverable or Service element, in which case Supplier will rectify the non-conformity as soon as practicable after acceptance (and the Transition acceptance test(s) will be repeated).
- iii. The Supplier will demonstrate to Client's reasonable satisfaction that the Supplier is ready, prior to the Commencement Date, to begin performing the Services.
- iv. Supplier will not commence performance of the Services (other than the Transition Services) until the Transition has been accepted (or Client Accepts the Services in accordance with Section 2.4(b)(ii)) where such approval shall not to be unreasonably withheld.

## 2.7 Contract Management

- (a) The Supplier will provide a description of interim contract management procedures and a description of the responsibilities of both Parties for managing and administering the Agreement, including proposed Changes to the Agreement, interpretation procedures, issue escalation process, disputes, and so forth, in line with those set forth in the Procedures Manual and in accordance with the terms of this Agreement.

## 3.0 TRANSITION MANAGEMENT

### 3.1 Transition Managers and Transition PMO

- (a) Supplier will appoint a senior project manager who will have overall responsibility for the management, performance, and delivery of Transition and who will be a dedicated escalation point of contact for Client in respect of Transition ("**Supplier Transition Manager**").
- (b) Supplier Transition Manager will be qualified in an industry-standard project management methodology (such as Prince2 or PMI), qualified in the Supplier's quality management system(s) and have detailed knowledge of the Agreement.
- (c) Client will appoint a dedicated contact point for Transition ("**Client Transition Manager**").
- (d) Both Parties will work to ensure that any Transition issues or disputes are resolved promptly in accordance with the "Transition issue escalation



process” by the Supplier Transition Manager and the Client Transition Manager, and that any disputes that cannot be resolved will be escalated in accordance with the Internal Dispute Resolution Process.

- (e) From not later than five (5) Business Days after the Effective Date until completion of Transition, Supplier will establish and provide a Transition project management office (“**Transition PMO**”) led by the Supplier Transition Manager, with a Transition team sufficiently staffed and experienced to manage the Transition Services, perform and support the functions, processes, reporting, etc. described in the Transition PMO playbook. The Transition team will include representation from the Client, the incumbent supplier outbound Transition lead and other (new) suppliers as necessary.
- (f) Preparing and distributing to the Transition team a Transition PMO playbook clearly identifying the processes, reporting, meeting timing and participants, Client committees and other information reasonably necessary for Transition.
- (g) Supplier will implement and manage the elements described in the Transition PMO playbook and monitor adherence by stakeholders involved in the Transition.

### 3.2 **Managing and Monitoring Transition**

- (a) Supplier will be responsible for managing, monitoring and implementing Transition, including:
  - i. Proactively identify, monitor and manage any significant risks or issues in relation to Transition.
  - ii. Further develop and update the Transition Risk Management Plan for risks identified through Transition.
  - iii. Institute formal risk mitigation strategies.
  - iv. Take appropriate preventive measures.
  - v. Develop contingency plans for rapid recovery from actual or potential Incidents.
- (b) Manage (including project managing), coordinating and planning all aspects of Transition (whether performed by Supplier, Client, or any Third Party).
- (c) Monitor progress of all Transition tasks and responsibilities (whether the responsibility of Supplier, Client, or any Third Party) against the

Transition Plan and promptly escalate to Client any failures (or potential failures) to perform any tasks or responsibilities, including failures by Client or Third Parties.

- (d) Resolve any Incidents or problems that arise with respect to Transition.
- (e) Define an escalation process to be used if there is a failure in any part or component of Transition.
- (f) Establish, as soon as practicable, the necessary communications and interfaces between Supplier, the Client, the Client Personnel, other (new) suppliers and Third Parties performing services that will be replaced by the Services on the relevant Commencement Date.
- (g) Where workshops are needed as a tool to deliver Transition, and to initiate, administer, and lead the workshops (including providing Client with advance notice of the timing, location, and proposed agenda for such workshops as appropriate).
- (h) Supplier's management and implementation of Transition will be subject to Client's approval (not to be unreasonably withheld) using a formal operational change process, to be agreed for the Transition, and Client's reasonable directions. Client may, at its option, monitor, support, and otherwise participate in the Transition.

### 3.3 Reports

- (a) In addition to any reports required by Exhibit 4 to the applicable Statement of Work or Common Exhibit 2.1, Supplier will provide Client with a detailed progress report weekly during Transition. This report will describe the following:
  - i. An executive level summary of the Transition progress to date, including an updated summary project plan and project highlights;
  - ii. An updated Gantt chart detailing the status of key Transition activities;
  - iii. A listing of all Transition Deliverables and Transition Milestones, including acceptance status, the estimated time to completion, days overdue, Milestone Deadline, and actual completion date and comments, as well as a report identifying the status of all Transition Milestones (for example: red, amber, green);
  - iv. A listing of all unresolved issues related to the execution of the Transition Plan, including those for which Client has primary responsibility, along with due dates, priority, responsible party, and

an assessment of the potential and actual business impact and impact to the Transition Plan;

- v. Status of the any risks, including those identified in the Transition Risk Management Plan, as well as the steps being taken to mitigate such risks.

- (b) During the Transition, Supplier will keep the Client governance team informed of the current status of the Transition Plan activities through reports, proactive discussions, and the proactive sharing of information.

- (c) During the Transition, Supplier will prepare management status reports for key Client stakeholders (e.g., executive) and deliver the status updates to these stakeholders as requested by Client in accordance with the Governance process.

#### 3.4 Meetings and Governance

- (a) In addition to any governance meetings carried out in accordance with the Governance process, the Client Responsible Executive and the **[Supplier Account Executive]** (and their designees) will meet at least once every month until completion of the Transition in order to review the status of the Transition and take appropriate action.

- (b) The Supplier and Client will meet on a weekly basis (or more frequently as required by Client) during Transition to review the status of Transition and to ensure that the objectives of Transition are being met.

#### 3.5 Financial Considerations

- (a) The Supplier is responsible for all costs associated with project staff required to execute and manage the Transition Plan.

- (b) The Supplier will bear the costs of all adverse impacts to Client and Supplier caused by a delay in the Transition.

- (c) Credits will be provided by the Supplier to Client in the event Supplier fails to achieve Transition Milestones that are classified as Critical Deliverables in Exhibit 2 to the applicable Statement of Work.

- (d) The Supplier will provide a description of interim financial management procedures and a description of the responsibilities of both Parties for invoicing, invoice verification, charge back to business units, determining Resource Unit volume by bundle, asset management, asset transfers, forecasting, business unit support, and so forth, in line with those set forth in the Procedures Manual, Common Exhibit 4 and Schedule 16.1.

### 3.6 **Required Consents**

- (a) Supplier will obtain all required consents (and pay any fees) necessary to complete the Transition, to perform the Services and for the transfer or right to use of any contracts, Equipment and Software, which are acquired by Supplier from Client or which Client makes available for Supplier to use in performing the Services.
- (b) If a required consent cannot be obtained, Supplier will determine and adopt, subject to Client's prior written approval, alternative approaches that allow the Services to be performed without the required consents.



**HYDRO ONE**

**REQUEST FOR PROPOSAL**

**SCHEDULE 3.1(C)**

**TRANSFORMATION METHODOLOGY**

This document contains confidential and proprietary information of Hydro One. It is furnished for evaluation purposes only. Except with the express prior written permission of Hydro One, this document and the information contained herein may not be published, disclosed, or used for any other purpose.

**Proponent Guidelines**

This Exhibit of the RFP contains specific information supplied by Hydro One for the Proponent's use when responding to the RFP.

**Proponent Instructions**

Refer to Section 4A of the RFP document.

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## 1.0 TRANSFORMATION

### 1.1 General

- (a) Transformation shall be completed in accordance with this Schedule. Transformation planning occurs shortly after contract signing, and occurs concurrently with Transition.
- (b) The following Attachments are attached to this Schedule and are hereby incorporated by reference:

Attachment I to Schedule 3.1(c) – Transformation Plan Description. The Supplier will use this attachment to describe the Transformation Plan methodology, timing, and other aspects of the Transformation to allow Client to evaluate the Proposal.

Attachment II to Schedule 3.1(c) – Transformation Risk Management Plan. The Supplier will use this attachment to describe the Transformation Risk Management methodology and to list all known Transformation risk and mitigation actions to allow Client to evaluate the Proposal.

- (c) All capitalized terms not defined in this Schedule will have the meanings defined in the Agreement.
- (d) Whenever used in this Schedule, the following terms will have the corresponding meanings set out below:

**[Note to Supplier: As part of the drafting process, all relevant definitions currently found in Common Exhibit 1 and used in this Schedule are to be incorporated in this Section 1.1(d).]**

### 1.2 Transformation Services

- (a) Supplier will perform the Transformation and implement the Transformation Plan in accordance with the timetable and Milestones set forth in the Transformation Plan (the “**Transformation Services**”), and Client will reasonably cooperate with Supplier to assist Supplier in implementing the Transformation Plan. Supplier will provide all cooperation and assistance reasonably required or requested by Client in connection with Client’s evaluation or testing of the Deliverables resulting from implementation of the Transformation Plan.



- (b) Supplier will implement the Transformation Plan in a manner that:
  - i. will not materially disrupt or have a material adverse impact on the business or operations of Client;
  - ii. will not degrade the Services then being received by Client; and
  - iii. will not interfere with Client' ability to obtain the full benefit of the Services, except as may be otherwise provided in the Transformation Plan.

## **2.0 TRANSFORMATION PLAN**

### **2.1 General**

- (a) Supplier will submit, for Client acceptance, an updated Transformation Plan (from the Transformation Plan draft provided by the Supplier to Client prior to the Effective Date as part of the Proposal). This Transformation Plan will include a Transformation Plan Description.
- (b) Supplier will also submit a Transformation Risk Mitigation Plan, which will contain reasonable modifications to reflect a granular level of detail required carrying out and project manage the Transformation within the agreed timing.
- (c) The Supplier approach used to develop the Transformation Plan will address the following important Client Transformation requirements:
  - i. the Transformation must be realistic and achievable;
  - ii. there should be minimal dependencies on the Client for the success of the Transformation. The Supplier should take full responsibility for executing the Transformation Plan;
  - iii. the Transformation Plan should provide a proposed approach for successfully completing the Transformation and its component SOW and other Transformation initiative implementations within the proposed timelines;
  - iv. each SOW-specific Transformation Plan must identify any cross SOW and internal SOW dependencies and an analysis of risks and mitigation associated with these cross-SOW dependencies;

- v. the Transformation Plan must minimize impact on the Services and maintain contracted Service Levels during the execution of the Transformation Plan;
- vi. there must be a robust process for establishing and managing Transformation Plan Deliverables and Milestones; and
- vii. The transition to sustainment for each Transformation initiative is defined.

## 2.2 Transformation Approach

- (a) The Supplier has applied and will implement the following design principles in developing the approach for successfully implementing the Transformation:
  - i. Rapid implementation of the Transformation initiatives: Supplier's goal is to improve the current Services on an aggressive timeline to accelerate the value to the Client.
  - ii. Effective Transformation governance: The Supplier will form a joint governance structure with the Client to guide the Transformation initiatives to the achievement of the intended results.
  - iii. Organizational change management approach: The Supplier will conduct a formal organizational change management ("OCM") program that drives top-down management alignment and bottom-up employee engagement.
  - iv. "A" team leading the Transformation: The Supplier will deploy a dedicated and highly experienced Transformation team who have successfully delivered transformation of similar complexity, size and diversity to the Client program scale and scope. The "A" team will work with current Supplier delivery resources and provide mentorship, guidance and Supplier knowledge while executing the transformation.
  - v. Focus on sustained evolution of the Services: The endpoint of the Transformation initiatives is not the endpoint of Transformation. A major thrust of the transformation initiatives is to implement sustained continuous improvement and quality management.

## 2.3 Transformation Plan Description

- (a) The Transformation Plan description will identify the objectives, the scope for all of the Transformation tasks to be performed, the completion date for each Transformation task, the Acceptance criteria to be applied by Client in evaluating Transformation Deliverables, the allocation of responsibilities between the Parties, the specific resources to be provided by the Client and all other pertinent details.
- (b) The plan will also describe what is out of scope for the Transformation project. The Transformation Plan description will show the required information for the Transformation project as a whole and separately and detailed for every Statement of Work and Site.
- (c) The Transformation Plan description will include:
  - i. A management summary that includes a description of the Supplier's overall strategy, methodology and approach to complete the Transformation; the critical assumptions and dependencies on Client and Third Parties; and the key measurable and commercial/business benefits of the proposed Transformation;
  - ii. A scope of work that describes the Transformation Services, including:
    - A. Establish the Transformation organization and responsibilities, including Client's and the Supplier's respective Transformation managers and Transformation team.
    - B. Describe major Deliverables the Supplier will deliver to Client for acceptance, including the dates by which each critical Transformation Service activity is to have been performed or each Deliverable is to be delivered ("**Transformation Milestones**") (in reference to the Effective Date and Commencement Date).
    - C. Provide a Gantt chart or similar representation reflecting a high-level overview of the Supplier Transformation Project Plan.
    - D. Describe a process and a set of standards, acceptable to Client and the Supplier, to which Supplier will adhere in the performance of the Transformation Services that will enable Client to determine whether Supplier has successfully completed the Transformation Services and

provided the Transformation Deliverables in accordance with the acceptance criteria specified in the Transformation Plan.

- E. For each major Deliverable, describe the manner Supplier will work with Client or the existing Third Party Vendors(s) in a manner that will ensure a seamless transfer of the Service (and clearly identify the risks it envisages and how its solution and approach mitigates the impact of these risks).
- F. Describe the roles and responsibilities of the Parties during the Transformation period.
- G. For all tasks for which Supplier identifies as Client Dependencies, describe the level of Client effort anticipated, including an estimate of resources needed (number of hours, by skill, by activity, and by month).
- H. Indicate that Supplier will not assume or plan on Client dedicating any significant level of resources to the Transformation unless expressly specified in the Transformation Plan or the Agreement.
- I. Describe the office space that Supplier will require within Client facilities, by Client premise location, including the number of desks, conference rooms, and any special requirements.
- J. Provide a Transformation Plan that explicitly makes reference of any intended Supplier use of any Client's Software, including anticipated seat usage volumes and integration activities. In the case of any required integration between Supplier and Client systems, the Transformation Plan shall be explicit with regard to the cost of such integration effort and the anticipated support, involvement, and costs expected to be provided from Client.
- K. Describe Supplier Software and tools to be deployed by Supplier to provide the Transformation Service, including any data loading or data migration activities required.
- L. Describe the security, Service continuity, recovery and contingency plan considerations, activities, and Supplier commitments during Transformation.

- M. Describe provisions concerning the oversight of the Transformation processes to follow or supplement and enhance those found in Schedule 3.1(b) (Transition) and Schedule 9.1 (Governance).
  - N. List and describe any key assumptions or assumptions upon which the Transformation was based and/or that the Transformation is dependent upon for completion, specifically highlighting Client Dependencies.
- (d) During the development of or any subsequent cChanges to the Transformation Plan, Supplier will not impose any additional obligations on Client, or change the Client's Transformation obligations specified in the draft Transformation Plan (including their timing), without Client's approval.
  - (e) Supplier will have responsibility for all costs associated with Supplier Personnel (including staff of any Supplier Subcontractors), Equipment, Software, or other resources required to execute and manage the Transformation Plan. Client shall only be responsible for the costs associated with Client Personnel participating in the Transformation and only to the limit agreed by the Parties in the Transformation Plan.
  - (f) Client will assist the Supplier by providing input and recommendations and making decisions to support the Supplier's development and maintenance of the detailed Transformation Plan and associated documentation.

#### 2.4 Transformation Project Plan

- (a) Supplier will develop a MS Project compatible Project plan as part of the Transformation Plan, detailing the specific tasks and activities to be performed as part of the Transformation and will include the name of each task or activity, the start and stop dates, the required resources, dependencies between tasks and percentage completion ("**Transformation Project Plan**").
- (b) Supplier will consult with Client to add any Client tasks into the Transformation Plan deemed necessary by the Parties to ensure a complete and integrated approach to Transformation planning and project management.
- (c) Supplier will consult with Client to add to the Transformation Plan any Third-Party Supplier activities related to a multi-supplier environment which are deemed necessary by the Parties to ensure a complete and integrated approach to Transformation planning and project management.

## **2.5 Transformation Project Plan – Client Resourcing**

As part of the detailed planning preceding each Transformation initiative, Supplier will identify if applicable the Client resources, roles and hours included in the Transformation Project Plan.

## **2.6 Transformation Risk Management Plan**

- (a) Attachment II to Schedule 3.1(c) –Transformation Risk Management Plan identifies potential risks, sets out possible mitigation approaches, and identifies specific tasks the Supplier will undertake to help avoid identified risks connected with the Transformation and to provide for rapid recovery in case of any Incidents. In addition, Supplier will clearly identify and promptly report to Client Account Executive (or his or her designee) any risks identified and those mitigations that Client is responsible for implementing. Supplier will maintain a risk mitigation Plan until all risk mitigation actions have been completed.
- (b) Supplier will develop, for Client approval, contingency plans for each identified risk that appears to be manifesting an actual or potential problem and that is not yet sufficiently covered by the agreed risk management plan.
- (c) Prior to beginning the Transformation activity, Supplier will discuss with Client all known Client-specific material risks and will not proceed with such activity until Client is reasonably satisfied with the risk mitigation plans with regard to such risks.

## **2.7 Transformation Implementation**

- (a) Supplier will perform all functions and Services necessary to accomplish the Transformation of the Services and operations on or before the specified completion dates.
- (b) Supplier will be responsible for the overall management of the Transformation in accordance with the Transformation Plan, as updated in accordance with this section or by agreement of the Parties, and will use diligent efforts to keep the Transformation on schedule and to identify and resolve any problems encountered in order to ensure the timely completion of each task.
- (c) Until completion of Transformation, Supplier will, acting reasonably, update and develop the Transformation Plan, including addressing the items specified in

section 1.2 and the impact of issues identified by either Party. Supplier will also make changes to the Transformation Plan as reasonably requested by Client from time to time and such changes will be incorporated by means of the Project Change Process or the Change and New Service Procedure, or both of processes, to the extent each process is applicable.

- (d) Supplier will perform its tasks in accordance with the Transformation Plan.
- (e) Supplier will perform the Transformation Services in a way that minimizes disruption to Client's business.
- (f) In developing or changing the Transformation Plan, Supplier will not impose any additional obligations on Client, or change Client Dependencies specified in the original Transformation Plan (including their timing), without Client's approval.
- (g) The following will be Client Dependencies for the purposes of the Transformation Plan:
  - i. Client will be responsible to serve as the interface between the Transformation team and Client's business functions, units, or Affiliates participating in the Transformation to define Client's business and technical requirements for Transformation and to validate that the Transformation Plan meets such requirements.
  - ii. Client will be responsible to obtain and provide current information, data and documentation related to the Transformation, and decisions and approvals, within the agreed time period, which will be generally be within five (5) Business Days of Supplier's request, unless otherwise mutually agreed.
  - iii. Client will be responsible to assist Supplier in identifying, addressing, and resolving deviations from the Transformation Plan and any business and/or technical issues that may impact the Transformation.
  - iv. Client will be responsible to develop the Transformation meetings' schedule (planning, review and status) with Supplier, including the frequency and location, and attend such meetings in accordance with the established schedule.

## **2.8 Transformation Deliverable Acceptance**

Supplier responsibilities will include:

- (a) Deliver each Transformation Deliverable so it meets the associated Transformation Deliverable Criteria for acceptance by Client within the time frames described by the Transformation Milestones.
- (b) Assist Client in performing an acceptance test (as requested by Client). If the relevant Transformation Deliverable or Service element fails to be accepted, then Client will provide Supplier with written details of why acceptance failed and will, at Client's discretion re-perform the relevant part of the Transformation so the acceptance tests can be repeated. If not passed or accepted by Client, then Supplier will continue to re-perform the relevant part of the Transformation until Client has provided acceptance of the Transformation Deliverable.
- (c) Client may (in its discretion) accept any non-conforming Transformation Deliverable or Service element, in which case Supplier will rectify the non-conformity as soon as practicable after Acceptance (and the Transformation tests will be repeated).
- (d) Demonstrate to Client's reasonable satisfaction that it is ready, prior to the release date, to begin performing the Services in the transformed environment.

## 2.9 Contract Management

Transformation will be jointly managed according to the jointly developed and Client-approved processes identified in the Procedures Manual and in accordance with the terms of this Agreement.

## 3.0 TRANSFORMATION MANAGEMENT

### 3.1 Transformation Managers and PMO

- (a) Supplier will appoint a senior project manager who will have overall responsibility for the management, performance, and delivery of Transformation and who will be a dedicated escalation point of contact for Client in respect of Transformation ("**Supplier Transformation Manager**").



- (b) Supplier Transformation Manager will be qualified in an industry-standard project management methodology (such as Prince2 or PMI), qualified in the Supplier's project management methodology and quality management systems, and have detailed knowledge of the Agreement.
- (c) Client will appoint a dedicated contact point for Transformation ("**Client Transformation Manager**").
- (d) Both Parties will use commercially reasonable efforts to ensure that any Transformation issues or disputes are resolved promptly by the Supplier Transformation Manager and the Client Transformation Manager, and that any issues that cannot be resolved will be escalated in accordance with the Internal Dispute Resolution Process.
- (e) From not later than five (5) Business Days after the Effective Date until the completion of Transformation, Supplier will establish and provide a Transformation project office led by the Supplier Transformation Manager, with a Transformation team sufficiently staffed and experienced to manage the Transformation Services.

### 3.2 Managing and Monitoring Transformation

- (a) Supplier will be responsible for managing, monitoring, and implementing Transformation, including:
  - i. Proactively identify, monitor, and manage any significant risks or issues in relation to Transformation:
    - A. Further develop the risk mitigation plan for risks identified through Transformation.
    - B. Institute formal risk mitigation strategies.
    - C. Take appropriate preventive measures.
    - D. Develop contingency plans for rapid recovery from actual or potential Incidents.

- ii. Manage (and project manage), co-ordinate, and plan all aspects of Transformation (whether performed by Supplier, Client or any third party).
  - iii. Monitor progress of all Transformation tasks and responsibilities (whether the responsibility of Supplier, Client or any third party) against the Transformation Plan and promptly escalate to Client any failures (or potential failures) to perform any tasks or responsibilities, including failures by Client or third parties.
  - iv. Resolve any Incidents or problems arising with respect to Transformation.
  - v. Define an escalation process to be used if there is a failure in any part or component of Transformation.
  - vi. Establish as soon as practicable, the necessary communications and interfaces between Supplier, the Client Personnel, and third parties performing services that will be replaced by the Services on the relevant Commencement Date.
  - vii. Where workshops are needed as a tool to deliver Transformation, initiate, administer and lead the workshops (including providing Client with advance notice of the timing, location, and proposed agenda for such workshops as appropriate).
- (b) Supplier's management and implementation of Transformation will be subject to Client's approval (not to be unreasonably withheld) using a formal operational change process to be agreed for the Transformation and Client's reasonable directions. Client may, at its option, monitor, support, and otherwise participate in the Transformation.

### **3.3 Reports**

In addition to any reports required by Exhibit 4 to the applicable SOW and Common Exhibit 2.1, Supplier will provide Client during Transformation with a detailed weekly progress report that describes the following:

- (a) An executive-level summary of the Transformation progress to date, including an updated summary project plan and project highlights;

- (b) An updated Gantt chart detailing the status of key Transformation activities;
- (c) A listing of all Transformation Deliverables and Transformation Milestones, including acceptance status, estimated time to completion, days overdue, contract completion date, actual completion date and comments, and a report identifying the status of all Transformation Milestones (red, amber, green);
- (d) A listing of all unresolved issues related to the execution of the Transformation Plan, including those for which Client has primary responsibility, along with due dates, priority, responsible party, and an assessment of the potential and actual business impact and the impact to the Transformation Plan;
- (e) Status of the any risks, including those identified in the Transformation risk management plan, and the steps being taken to mitigate such risks.

During Transformation, Supplier will keep the Client governance team informed of the current status of the Transformation Plan activities through reports, proactive discussions, and the proactive sharing of information.

#### 3.4 **Meetings and Governance**

In addition to any governance meetings described in Schedule 9.1 (Governance), the Client Responsible Executive and the **[Supplier Account Executive]** (and their designees) will meet at least once every month until completion of the Transformation in order to review the status of the Transformation and take appropriate action.

Supplier Transformation Manager and Client Transformation Manager will meet on a weekly basis (or more frequently as required by Client) during Transformation to review the status of Transformation and to ensure that the objectives of Transformation are being met.



**HYDRO ONE**  
**REQUEST FOR PROPOSAL**  
**SCHEDULE 4.8**  
**PROCEDURES MANUAL OUTLINE**

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This Exhibit of the RFP contains specific information supplied by Hydro One for the Proponent's use when responding to the RFP.

**Proponent Instructions**

Refer to Section 4A of the RFP document.

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## 1.0 INTRODUCTION

The purpose of this Schedule is to provide an outline for the Procedures Manual and to further define its content.

All capitalized terms not defined in this Schedule will have the meanings defined in the Agreement.

Whenever used in this Schedule, the following terms will have the corresponding meanings set out below:

**[Note to Supplier: As part of the drafting process, all relevant definitions currently found in Common Exhibit 1 and used in this Schedule are to be incorporated in this Section 1.]**

## 2.0 GENERAL REQUIREMENTS

The Procedures Manual for each Statement of Work will provide a detailed description of the Services, the manner in which each will be performed, the methods that Supplier will use to deliver the Services, and the materials used for training Supplier's staff on the Services, methods, procedures, etc., including:

- 2.1 equipment, software, networks, websites and systems being used;
- 2.2 a list, with contact information, of suppliers, contractors and subcontractors;
- 2.3 comprehensive documentation (e.g., operations manuals, user guides, specifications, work instructions, training manuals, disaster recovery plans, Client business continuity plans) or references to the location (which Client can access and make available, both during and after the Term) of such documentation, providing further details of the activities regarding such Service;
- 2.4 the specific procedures and, at Client's request, activities Supplier undertakes in connection with each Service, including the direction, monitoring, reporting, planning, logs and record retention, and oversight activities performed by Supplier under this Agreement;
- 2.5 the processes, process tracking, methodologies, flow charts, schematics and non-financial controls (e.g., access, security, background checking, data protection) and communications processes and methods used by Supplier to meet its obligations in this Agreement;
- 2.6 descriptions of the checkpoint reviews, testing, acceptance testing, quality assurance and other procedures to confirm the quality of Supplier's performance approved by Client, Supplier's problem management, escalation procedures, call lists and the other standards and procedures of Supplier pertinent to Client's interaction and communication with Supplier.

The Procedures Manual will be suitable for use by Client to understand the Services. Supplier will ensure that the Procedures Manual is of a standard and quality that is consistent with global best practices.

The Procedures Manual will be provided in an agreed electronic format and fully usable and capable of modification by Client. During the Term, the Procedures Manual will be stored in this electronic format in a mutually agreed upon site accessible by Client and Supplier. Such site shall support the ability of Client to download the Procedures Manual in whole or part. Supplier will maintain version control of the Procedures Manual to ensure the most current version is being used.

Within eighteen (18) months after the Effective Date, Supplier will deliver a draft of the Procedures Manual to Client for Client's comments and review. Supplier will incorporate comments and suggestions of Client and will finalize the Procedures Manual within fifteen (15) days of receiving Client's comments or suggestions. The final Procedures Manual will be subject to the approval of Client.

Supplier will continually update the Procedures Manual, to reflect changes in business process, technology, or other content, but not less than every Contract Year. The updated Procedures Manual will be provided to Client each Contract Year on the anniversary of Effective Date, for Client's comments, review, and approval consistent with the initial approval process. On at least an annual basis Supplier will facilitate joint service and operations procedures knowledge sharing workshops with Client in accordance with the Client governance process to ensure that the Procedures Manual and its contents are well understood and are suitable for the purposes of both Parties.

### **3.0 OPERATIONS PROCEDURE MANUAL CREATION AND UPDATES**

The table in Section 4 below sets out a table of contents and description of Services to be used as a guide in preparing the Procedures Manual and adding information to existing operations procedures manuals. Client and Supplier may agree to make changes to the form and content of this Chart.

Without limiting Section 2 of this Schedule, Supplier shall:

- 3.1 Incorporate into the Procedures Manual and continuously update all relevant business processes, interfaces between Client and Supplier including hand-offs between the Parties, operating procedures, desk procedures, applicable standards, policies and requirements employed by Supplier in providing the Services, including:
  - 3.1.1 existing approved policies, procedures and data collected from Client; and new policies, procedures and data, subject to Client approval, required for the operation and governance of the Agreement;



- 3.2 Updates and changes to Procedures Manual shall be identifiable and tracked using appropriate version control. Changes made to underlying services, processes, methodologies and policies described in the Procedures Manual shall be controlled, managed and approved in accordance with the Change and New Service Procedures in the Agreement. Without limiting the generality of the foregoing, deletion of obsolete policies, procedures and data approved by Client shall be logged with the date.

#### 4.0 OPERATIONS PROCEDURE MANUAL CONTENT

Content		Brief Description
<b>1. DOCUMENT CONTROL</b>		
	(a) General Section	<ul style="list-style-type: none"> <li>• Summary of changes including revision number, revision date, author/reviser – nature of change, date approved, effective date.</li> <li>• List of document or document section change reviewers and approvers including title, name and contact information.</li> <li>• Document review plans and or schedule.</li> <li>• Location of the most current and historical versions of the document.</li> <li>• Document distribution and notification.</li> <li>• vi) Document classification (e.g., Client IP)</li> </ul>
	(b) Preface	
	(c) Purpose of this Document	
	(d) How the Document is Organized	
	(e) Overview of the Review and Approval Process	
	(f) How to Submit Comments or Suggestions Regarding Changes to the Content	

Content		Brief Description
<b>2. SERVICES OVERVIEW</b>		
	(a) Mapping Contract Requirements (e.g., SOW, ID) to the Section Name and procedures in this Document	<ul style="list-style-type: none"> <li>• Linkage between the requirements made in the SOW and this manual. Includes contract reference number, summary of requirement, corresponding section number/name in this document</li> <li>• Shows the relationship between the SOW and the procedures used in this document that pertain to those services. Includes contract reference number (e.g. ID) , corresponding section number/name in this document</li> </ul>
<b>4. KEY CONTACT INFORMATION</b>		
	(a) Key Contact Information - Supplier	<ul style="list-style-type: none"> <li>• List of contacts within Supplier that are key to the delivery or management of Services delivered to Client.</li> </ul>
	(b) Key Contact Information – Client	<ul style="list-style-type: none"> <li>• List of contacts within Client that are key users of the Services and/or perform a liaison function in regard to the Services.</li> </ul>
	(c) Key Contact Information – Third Parties	<ul style="list-style-type: none"> <li>• List of key Third Party Vendors contacts.</li> </ul>
<b>6. ASSET MANAGEMENT</b>		
	(a) General Description (b) Scope (c) Objectives (d) High Level Interface Flow and Narrative (e) Supplier Roles and Responsibilities (f) Client Roles and Responsibilities	<ul style="list-style-type: none"> <li>• Overview description of the services and interfaces related to Assets management. (e.g., asset tracking, wall-to-wall inventory, physical inventory)</li> </ul>
<b>7. CONTRACT MANAGEMENT</b>		

Content		Brief Description
<b>PROCEDURES</b>		
	(a) Contract Change Management	<ul style="list-style-type: none"> <li>Procedures regarding amendments to the Agreement, including amendments to any Schedule.</li> <li>Content should include notification period and process, authority levels, and escalation procedures for amendments.</li> </ul>
	(b) Supplier Key Personnel and Subcontractors	<ul style="list-style-type: none"> <li>Procedures for Client approval regarding replacement or removal of Supplier Personnel in Key Positions and Supplier Subcontractors in compliance with the Agreement.</li> </ul>
	(c) Issue Escalation, Internal Dispute Resolution, External Mediation	<ul style="list-style-type: none"> <li>Description of the procedures regarding to issue escalation Internal Dispute Resolution Process and external mediation set forth in the Agreement. May reference the Procedures Manual.</li> </ul>
	(d) Other relevant procedures	<ul style="list-style-type: none"> <li>Other procedures required to deliver the Services as mutually agreed to by the Parties.</li> </ul>
<b>8. PERFORMANCE MANAGEMENT PROCEDURES</b>	Ongoing, “steady state” procedures and policies, including information on coordination activities, responsibilities of each Party (by title/function).	
	(a) Performance Monitoring and Reporting Procedures	<ul style="list-style-type: none"> <li>Procedures Supplier will use to verify Service delivery on a day to day basis, including reporting to Client.</li> </ul>
	(b) Incident Management and Escalation Procedures	<ul style="list-style-type: none"> <li>Procedures Supplier will use to identify Incidents, report and resolve Incidents, and escalate as necessary within Supplier organization and/or Client.</li> </ul>
	(c) Problem and Root Cause Analysis Procedures	<ul style="list-style-type: none"> <li>Procedures Supplier will use to proactively identify problems from operational and Incident trends,</li> </ul>

Content		Brief Description
		determine root cause of problems, including involvement of (and/or support to) applicable third parties or Client.
	(d) Service Level Measurement and Reporting Procedures	<ul style="list-style-type: none"> <li>Procedures Supplier will use to measure and report Service Levels (e.g., CPI, KPI and GPI Service Levels) to Client.</li> </ul>
	(e) Project Management Procedures	<ul style="list-style-type: none"> <li>Description of the methodology and procedures Supplier will use to manage and report on Projects.</li> </ul>
	(f) Physical Access & Security Procedures	<ul style="list-style-type: none"> <li>Physical access and security procedures Supplier will use at Supplier Sites from which Services are provided.</li> </ul>
	(g) Network Access & Security Procedures	<ul style="list-style-type: none"> <li>Network access and security procedures to which Supplier will adhere.</li> </ul>
	(h) Disaster Recovery and Business Continuity Procedures	<ul style="list-style-type: none"> <li>Procedures Supplier will use in regard to disaster recovery and business continuity developed in accordance with the requirements specified in Article 10 of the Agreement. (Supplier may reference other documents containing comprehensive procedures, but should provide general overview within the Procedures Manual.)</li> </ul>
	(i) Other relevant procedures	<ul style="list-style-type: none"> <li>Description of any other procedures required to deliver the Services as agreed to by the Parties.</li> </ul>
<b>9. Supplier OPERATIONAL PROCEDURES</b>	Ongoing, “steady state” procedures and policies, including information on coordination activities, responsibilities of each Party (by title/function).	
	(a) Operational Procedures	<ul style="list-style-type: none"> <li>Full documentation and description of business processes,</li> </ul>

Content		Brief Description
		<p>activities, and procedures, that Supplier undertakes in order to provide the Services, including screen shots of applications used to process transactions, desk procedures for performing the Services.</p> <ul style="list-style-type: none"> <li>Note this content applies to all Services within the SOWs.</li> </ul>
	(b) Regulatory Compliance Procedures	<ul style="list-style-type: none"> <li>Supplier's processes, procedures and methodologies utilized to ensure compliance with Client's and other applicable regulatory policies and requirements pertaining to the delivery of Services.</li> </ul>
	(c) Change Management and Acceptance Procedures	<ul style="list-style-type: none"> <li>Procedures that the Supplier will use to plan, review, and execute change, including interfacing with Client Change management procedures. Acceptance procedures for Changes planned for implementation including acceptance criteria, acceptance testing and exit procedures in the event of a failure of acceptance testing.</li> </ul>
	(d) Ad Hoc Services Request Process	<ul style="list-style-type: none"> <li>Procedures to be followed for the request and approval of Changes and other ad hoc requests including points of interaction between Supplier and Client and appropriate levels of approval.</li> </ul>
	(e) Quality Assurance Procedures	<ul style="list-style-type: none"> <li>Supplier's quality management procedures relating to the provision of the Services including the checkpoint reviews, testing and acceptance procedures.</li> </ul>
	(f) Information Security Controls Procedures	<ul style="list-style-type: none"> <li>Detailed data, network and physical access requirements provided by Client and procedures that will define the security</li> </ul>

Content		Brief Description
		controls that Supplier will implement as part of the Services.
	(g) 3rd Party Vendor Operational (Handshake) Protocols	<ul style="list-style-type: none"> <li>Detailed Procedures describing how the Supplier manages operational procedures and protocols with Third Party Vendors.</li> </ul>
	(h) Training Procedures	<ul style="list-style-type: none"> <li>Full documentation and description of processes, activities, and procedures, that Supplier undertakes to train Supplier staff on the Services, methods, etc.</li> <li>This content includes the procedures and methods for confirming the training was successfully delivered and the staff adequately trained.</li> <li>Note this content applies to all Services within the SOWs.</li> </ul>

## 5.0 FORM AND CONTENT EXAMPLE FOR THE OPERATIONS PROCEDURE MANUAL

The following is an example of the form and content which will be included for each process in the Procedures Manual.

- 5.1 Description – a description of the process (e.g., Help One, Data Center, Reporting, In-bound Call Handling, Collections, Cross-functional) including references to the Supplier obligations and responsibilities in the Agreement.
- 5.2 Scope – an outline of the Suppliers key functions and or activities (e.g., single point of contact, resolves calls).
- 5.3 Objectives – a breakdown of the key objectives of the process.
- 5.4 Supplier Roles and Responsibilities for each role involved in the process (e.g., in-bound call agent, 1st level escalation, 2nd level)
- 5.5 Client Roles and Responsibilities within respect to each role identified in the Agreement.

- 5.6 High-level Interface Flow and Narrative – Process flow and narrative that illustrates the interfaces between Client and Supplier roles.
- 5.7 Policies – identification of the policies that govern the process, procedures and activities reference to the specific policy in Common Exhibit 3 to each applicable Statement of Work (e.g., data protection and privacy).
- 5.8 Interface Information – describes both Client initiated interfaces with Supplier and Supplier-initiated interfaces with Client associated with this process.



**HYDRO ONE**  
**REQUEST FOR PROPOSAL**  
**SCHEDULE 5.1**  
**SERVICE LEVEL METHODOLOGY**

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**Proponent Instructions**

Refer to Section 4A of the RFP document.

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## 1.0 GENERAL

- 1.1 The Agreement includes as one of its objectives having commercially relevant Service Levels relevant to Client's business.
- 1.2 The Service Level Performance Measures Schedule and their targets that are described in Exhibit 2 to each Statement of Work have been specifically designed to support Client's Service Level Agreement(s).
- 1.3 The methodology set out in this Schedule shall support the Service Level management cycle of agreeing, monitoring, reporting, and improving the delivery of the Services to Client.
- 1.4 As of the Commencement Date (or as otherwise specified in this Schedule and Exhibit 2 to each Statement of Work), Supplier shall perform the Services to which Service Levels apply so that in each month of the Term, its performance meets or exceeds the Expected Service Level Targets.
- 1.5 The achievement of the Service Levels by Supplier may require the coordinated, collaborative effort of Supplier with other Third Parties. Supplier shall provide a Single Point of Contact (SPOC) for the prompt resolution of all problems and all failures to provide high-quality Services to Client, regardless of whether the reason for such problems, or failure to provide high-quality Services to Client, was caused by Supplier.
- 1.6 Whenever used in this Schedule, capitalized terms used shall have the meanings given to them in Section 1 of the Agreement, and the following words and terms shall have the following meanings:

**[Note to Supplier: As part of the drafting process, all relevant definitions currently found in Common Exhibit 1 and used in this Schedule are to be incorporated in this Section 1.6.]**

**“Critical Deliverables”** means those deliverables performed on a one-time or periodic basis, for which a Deliverable Credit may be payable in accordance with Exhibit 2 to the SOW. Critical Deliverables are identified in Exhibit 2 to the SOW. Critical Deliverables are not Critical Service Levels.

**“Critical Deliverable Credits”** means the monetary amounts that Supplier shall pay to Client (or credit against monthly charges) in the event of a failure to achieve a Critical Deliverable.

**“Critical Service Level”** means those Service Levels established under Exhibit 2 to the SOW for which a Service Level Credit may be payable. Critical Service Levels are identified in Exhibit 2 to the SOW as “Critical Service Levels” and are described in Exhibit 2 to the SOW.

“**CSR**” means each customer service representative who handles customer inquiries.

“**Deliverable Credits**” means the monetary amount(s) that the Supplier shall pay to Client (or apply against Monthly Charges) in the event of a failure to achieve a Critical Deliverable as specified in Exhibit 2 to the SOW.

“**Earnback**” means the ability of Supplier to recover a Service Credit as described in Section 7 of Schedule 5.1.

“**Expected Service Level Target**” means the contracted level of performance for a Service Level, as initially set forth in the applicable SOW and as the same may be changed in accordance with Section 8 of Schedule 5.1.

“**Key Measurements**” means those Service Levels that are not Critical Service Levels and for which no Service Level Credit is payable, but which are meaningful to Client’s Business, and are described in Exhibit 2 to the SOW.

“**Measurement Methodology**” means the tools, processes, procedures and documentation thereof required to measure, validate, and report performance relative to Service Levels.

“**Measurement Period**” means monthly or an alternative period of time as expressly stated in an individual Service Level in Exhibit 2 to the SOW.

“**Minimum Service Level Default**” means in respect of each Critical Service Level or Key Measurement that Supplier Service Level Performance for a specific Service Level fails to meet the applicable Minimum Service Level Target.

“**Minimum Service Level Target**” means the minimum level of performance for a Service Level, as initially set forth in Exhibit 2 to the SOW and as the same may be changed in accordance with Section 8 of Schedule 5.1.

“**Root Cause**” means the underlying or original cause of an Incident or Problem.

“**Root-Cause Analysis (RCA)**” means an activity that identifies the Root Cause of an Incident or Problem. RCA typically concentrates on IT Infrastructure failures.

“**Service Level Credit**” means an amount credited to Client as a result of a Service Level Default.

“**Service Level Credit Allocation Percentage**” means the amount of the Pool Percentage allocated to a Critical Service Level as set forth in Exhibit 2 to the SOW, as the same may be changed in accordance with Section 8 of Schedule 5.1 (Service Level Methodology).

**“Service Level Default”** means in respect of each Critical Service Level or Key Measurement that:

- (a) Supplier Service Level Performance for a particular Service Level fails to meet the applicable Expected Service Level Target (but does not fail to meet the applicable Minimum Service Level Target), and in the immediately previous eleven (11) months, there have been at least three (3) other months where Supplier’s performance failed to meet such Expected Service Level Target (but did not fail to meet the Minimum Service Level Target); or
- (b) any event which constitutes a Service Level Default as defined in this Schedule (such as failure to report or failure to implement Measurement Methodologies). For example, measurement data for a Critical Service Level or Key Measurement is not provided to Client by Supplier for a given month in accordance with Section 4.0 (Reporting) of Schedule 5.1.

**“Service Level Effective Date”** means the date on which a Service Level is in effect, and is the Commencement Date unless indicated otherwise in Exhibit 2 to the SOW.

**“Service Level Performance”** means in respect of each Service Level, the Supplier’s actual performance of the Services against such Service Level in the relevant period.

**“Service Level Posting”** means the posting to the Supplier Service Level Performance Web site and certification as “final results” of Service Level Performance measurement data.

## **2.0 SOW-SPECIFIC SERVICE LEVEL EXHIBITS**

If applicable to the Services described in the Statement of Work, each Statement of Work contains an Exhibit 2 comprised of the following parts:

**Service Levels:** Sets forth the Minimum Targets associated with Critical Service Levels, and Key Measurements, and the quantitative measurements associated with Critical Deliverables.

**Critical Service Levels and Key Measurements:** Sets forth the descriptions, definitions, and formulae used to calculate compliance with Critical Service Levels and Key Measurements.

**Critical Deliverables:** Sets forth the descriptions, definitions, and formula(s) used to calculate the Critical Deliverables performance.

**Measurement Methodologies:** Details the required Measurement Methodologies associated with measuring and reporting Service Levels. **[Note to Supplier: As part of its RFP response, Supplier to describe the Measurement Methodology that it proposes to use.]**

### 3.0 SERVICE LEVEL FRAMEWORK

- 3.1 Service Level Performance Measures shall commence being measured and reported by Supplier on the Commencement Date.
- 3.2 Service Level Credits shall apply with effect from the Commencement Date or as otherwise specified in Exhibit 2 to the applicable SOW under the column **Commencement Date + mos**. The numbers used in the column **Commencement Date + mos** are in the format where **mos** represents the number of months after the Commencement Date when Service Level Credits will apply.
- 3.3 The Measurement Methodologies set forth in Exhibit 2 to the applicable SOW shall be used by Supplier to measure compliance with the Service Levels.
- 3.4 Supplier shall ensure that such Measurement Methodologies are automated and objective and that they are designed to operate without human interpretation or intervention.
- 3.5 The Supplier will implement Tools and processes that are acceptable to the Client to report Critical Service Levels, Key Measurements and Critical Deliverables
- 3.6 A failure by Supplier to implement a Service Level in accordance with the Measurement Methodology prior to the Service Level Effective Date, shall be a Minimum Service Level Default, unless Supplier can otherwise substantiate that a Minimum Service Level Default did not occur (validating that the received Service(s) met the Minimum Service Level or Expected Service Level) and Client consents to such Supplier explanation. Such explanation must be submitted to the Client prior to the Service Level Effective Date.
- 3.7 Service Level(s) shall be measured on a monthly basis unless otherwise specified in Exhibit 2 to the applicable SOW.
- 3.8 A failure by Supplier to measure Service Level(s) for a Critical Service Level, in accordance with the Measurement Methodology shall be a Minimum Service Level Default, and continue to be a Minimum Service Level Default each month until Supplier measures the Service Level Performance in accordance with the Measurement Methodology, unless Supplier can otherwise prove that a Service Level Default did not occur (validating that the received Service met the Minimum Service Level or Expected Service Level) and Client consents to such Supplier explanation. Such explanation must be submitted to the Client prior to the Suppliers Failure to Deliver.
- 3.9 If there are any Critical Service Levels for which the Measurement Methodologies have not been agreed upon by the Service Level Effective Date (including new Critical Service Levels) — and if Supplier fails to propose and implement a Measurement Methodology for such Critical Service Level(s) that is acceptable to Client prior to the date when Service Level Credits apply to such Critical Service Level(s) — such failure shall be a Minimum Service Level Default each month

until such time as Supplier proposes and implements a Measurement Methodology acceptable to Client.

- 3.10 Measurement Methodologies for new Service Levels and Changes to Measurement Methodologies for existing Service Levels shall be implemented in accordance with the Change Procedure.
- 3.11 Supplier shall demonstrate and explain to Client's reasonable satisfaction the Measurement Methodology prior to implementation.
- 3.12 Client shall not be financially responsible for increases in Supplier costs resulting from Client's addition of new Service Levels requested by Client.
- 3.13 Client shall not be financially responsible for increases in cost occurring as a result of the operation of the continuous improvement provisions of Section 8.1 of this Schedule.
- 3.14 Six (6) months following the Commencement Date, and every six (6) months thereafter, Supplier shall review all Service Levels and related Measurement Methodologies and assess whether any changes in such Measurement Methodologies are required to collect and accurately reflect Supplier performance and related data prospectively.
- 3.15 Supplier shall promptly notify Client of any recommended changes in Measurement Methodology as a result of this assessment.
- 3.16 Following Client's consent pursuant to the Change Procedure to such Measurement Methodology change, the Parties shall adjust the Expected Service Level and Minimum Service Level if necessary to account for any increased or decreased sensitivity in the new Measurement Methodology. Service Level performance may not decrease as a result of such change. However, if the Parties cannot agree on an adjustment, Supplier must continue to use the current Measurement Methodology.
- 3.17 Proposed changes must be fully documented and accepted by the Parties prior to implementation in accordance with the Agreement. Such proposed changes shall not result in an increase in the charges for the Services.
- 3.18 It is not anticipated, however, that changes in the Measurement Methodologies shall drive changes in Service Levels; rather, the need to collect and accurately reflect Supplier performance and related data should drive any change in Measurement Methodologies.
- 3.19 Detailed performance information used to calculate each Service Level will be maintained by Supplier.
- 3.20 Upon Client's request, Supplier shall provide, or provide access to, such performance information to allow Client to verify the accuracy of reported Service Level measurements.

- 3.21 Certain calculations specified in this Schedule assume that perfect performance of each Critical Service Level or Key Measurement is one hundred (100) percent. If zero percent (0%) represents perfect performance for a Service Level, then such calculations shall be modified as appropriate for that Service Level. Similarly, for Service Levels based on response time or some other non-percentage result, calculations shall be modified as appropriate to achieve the intended result.
- 3.22 Potential problems of which Supplier is aware that could reasonably be expected to result in a failure to meet a Service Level must result in remedial actions by the Supplier.

#### **4.0 REPORTING**

- 4.1 Supplier shall provide to Client, as part of Supplier's monthly performance reports, a set of reports to verify Supplier's performance and compliance with the Service Levels and Critical Deliverables.
- 4.2 Supplier shall provide detailed supporting information for each Service Level report to Client.
- 4.3 The Service Level data and detailed supporting information shall be Client's Confidential Information.
- 4.4 Client may access such information online and in real-time, where technically feasible, at any time during the Term and provision of Termination Transition Services period.
- 4.5 Supplier shall provide Service Level posting to the portal described below as part of Supplier's process to deliver the final monthly performance reports (including daily detail(s) except where the Parties have specifically agreed to the contrary).
- 4.6 Supplier shall complete Service Level Posting on or before the tenth (10th) business day of the month following the completion of any Measurement Period.
- 4.7 Supplier shall provide an e-mail notification to alert Client when the monthly Service Level Posting is complete.
- 4.8 No post-reporting adjustment shall be made to any Service Level Performance data or supporting information without Client's pre-approval.
- 4.9 Supplier shall provide an e-mail notification to alert Client whenever a Service Level item is updated after the Service Level Posting.
- 4.10 Supplier shall maintain a log of all such Service Level changes, including the nature of the Service Level change, Client approval/approver, and Service Level change date.



- 4.11 Service Level Posting shall be to a secure portal (Web site). This portal shall be established and maintained by Supplier but owned by the Client.
- 4.12 The Service Level Posting portal (Web site) shall be capable of displaying and printing all Service Level performance, including historical data for the duration of the Term and provision of Termination Transition Services period. Display, print, and retention functionality shall be sufficiently robust so that Client can verify Supplier's performance and compliance with all Service Levels.
- 4.13 The Service Level Posting Web site shall be integrated to allow for multiple views ranging from a corporate dashboard performance level down to individual Service Level reporting detail (for example, a single data element captured as part of Service Level performance calculation).
- 4.14 The Service Level Posting Web site shall contain direct links to all supplemental data elements used to establish each Service Level performance report.
- 4.15 Supplier shall investigate and correct all Incidents and Problems in accordance with the Supplier's obligations in respect of the Cross-Functional Services, regardless of whether or not such Incidents and Problems constitute Service Level Defaults, including:
- (a) perform root cause analyses for Problems and Critical Priority Level Incidents occurring in the reporting period, conducted in accordance with the Agreement;
  - (b) report Service Level issues to Client in accordance with the escalation process contemplated in the Agreement;
  - (c) use all commercially reasonable efforts to correct Incidents and Problems and restore Service and meet Service Levels as soon as practicable;
  - (d) advise Client of the root cause and the status of remedial efforts being undertaken with respect to such Critical Priority Level Incidents and Problems; and
  - (e) provide reasonable evidence to Client that the root causes of such Critical Priority Level Incidents and Problems have been or shall be corrected. This includes updating all relevant Incident Records, Problem Records, and Known Error Records with details of the Known Error and Workaround. Supplier shall ensure that any Changes to the environment resulting from these analyses are effected in accordance with the Change Request Procedures.

## 5.0 SERVICE LEVEL DEFAULT

In the event of a Service Level Default, Supplier shall provide to Client Service Level Credits as defined below (the “**Service Level Credits**”):

- 5.1 Subject to Sections 5.7, 6, and 7 of this Schedule and upon the occurrence of a Service Level Default, a Service Level Credit (calculated as set out in this Section 5 of this Schedule) shall be credited to Client by Supplier.
- 5.2 Service Level Credits do not apply to Key Measurements.
- 5.3 A Service Level Default shall occur when performance for a specific Service Level fails to meet the applicable Minimum Service Level Target;
- 5.4 A Service Level Default shall occur when Service Level performance for a particular Service Level fails to meet the applicable Expected Service Level Target (but does not fail to meet the applicable Minimum Service Level Target), and in the immediately previous eight (8) months, there have been at least two (2) other months where Service Provider’s performance failed to meet such Expected Service Level Target (but did not fail to meet the Minimum Service Level Target)
- 5.5 If Supplier fails to meet a Minimum Service Level Target for a Critical Service Level or a Key Measurement, Supplier shall provide Client with a written plan for improving Supplier’s performance within fifteen (15) calendar days of the failure to meet Minimum Service Level.
- 5.6 The plan referred to in Section 5.5 shall be subject to Client’s approval. Supplier shall promptly implement such plan when it has received approval from Client.
- 5.7 Exhibit 2 to the applicable SOW sets forth the information required to calculate the Service Level Credit in the event of a Service Level Default. For each Service Level Default, Supplier shall apply a Service Level Credit to Client. Such Service Level Credit shall be computed in accordance with the following formula:

$$\text{Service Level Credit} = A \times B \times C$$

where:

**A** = At-Risk Fees

**B** = At-Risk Percent

**C** = Service Level Credit Allocation Percentage in Exhibit 2 to the applicable SOW

Example:

Supplier fails to meet the Minimum Service Level Target for a Critical Service Level. Assume Supplier's At-Risk Fees for the month in which the Service Level Default occurred was \$1,000,000 and that the At-Risk Percent was fifteen (15%).

Additionally, assume that the Service Level Credit Allocation Percentage is ten percent (10%). The Service Level Credit due to Client for such Service Level Default would be computed as follows:

**A** = At-Risk Fees (\$1,000,000)

Multiplied by

**B** = At-Risk Percent. (15%)

Multiplied by

**C** = Service Level Credit Allocation Percentage for the Critical Service Level for which the Service Level Default occurred as shown in Exhibit 2 to the applicable SOW (10%)

= Fifteen thousand dollars (\$15,000) (the amount of the Service Level Credit)

- 5.8 Subject to Section 5.7, if more than one Service Level Default has occurred in a single month, the sum of the corresponding Service Level Credits shall be credited to Client.
- 5.9 In no event shall the amount of Service Level Credits credited to Client with respect to all Service Level Defaults occurring in a single month exceed, in total, the At-Risk Amount, except as otherwise noted in this Schedule.
- 5.10 The total amount of Service Level Credits – which Supplier shall be obliged to credit to Client, with respect to Service Level Defaults occurring each month (subject to Earnback) – shall be reflected on the invoice that contains charges for the month during which the Service Level Default(s) giving rise to such credit(s) occurred.

Example:

The amount of Service Level Credits for Service Level Defaults occurring in August shall appear as a credit on Supplier's invoice in September for the August monthly charges.

- 5.11 If Supplier fails to provide a Service Level Credit that is due, Client may offset an amount equal to the Service Level Credit from payments owed to Supplier in accordance with Section 16.6 of the Agreement.
- 5.12 The total amount of Service Level Credits, which Supplier shall be obliged to credit to Client, with respect to Service Level Defaults occurring each month (subject to

Earnback), shall be reflected on the invoice that contains charges for the month following the month which the Service Level Default(s) giving rise to such credit(s) occurred.

Example:

The amount of Service Level Credits for Service Level Defaults occurring in August will appear as a credit on Supplier's invoice in September for the September monthly charges.

- 5.13 If a single Incident results in the failure of Supplier to meet more than one Critical Service Level Target, Client shall have the right to select any one of such multiple Service Level Defaults for which it shall be entitled to receive a Service Level Credit. Client shall be entitled to Service Level Credits, as applicable, for the other Service Level Defaults that have a Root Cause other than the single Incident referred to above. For the purpose of clarity, a single Incident may impact more than one Critical Service Level or Key Measurement for the purpose of calculating performance against the target. This provision only addresses which of the Service Level Credits are applicable.

## **6.0 EXCEPTIONS**

- 6.1 If any events or periods that are measured as part of a Service Level are not successfully achieved in accordance with the relevant performance standard specified in the Service Level, and Supplier demonstrates that such failure is directly caused by any of the following, then such events or periods shall be disregarded for the purpose of calculating the relevant Service Level (and shall be excluded from both the numerator and the denominator for the purposes of calculating whether the Service Level has been achieved):
- (a) Client's (or a Client Third-Party Vendor's) breaches of this Agreement;
  - (b) infringements of Third-Party proprietary rights by Client or a Client Third-Party Vendor;
  - (c) Willful Misconduct or violations of law by Client or a Client Third-Party Vendor;
  - (d) failure to conduct repair on Equipment that has been identified and agreed in writing by Client to be Unserviceable Equipment (such agreement shall have been made identifying the Equipment Resource Unit as Unserviceable Equipment prior to any such failure qualifying as an exception); or
  - (e) Services performed during the execution of the Business Continuity Plan, the execution of which is in support of a Client-declared disaster,

provided, however, that failure to execute the Business Continuity Plan may constitute a breach of the Agreement.

- 6.2 Supplier must submit the request for exception within fifteen (15) days of the Service Level Default in the format specified by the Client.

## **7.0 EARNBACK**

- 7.1 Supplier shall earn back a Service Level Credit for a given Service Level Default when Service Level Performance for the same Critical Service Level Target meets or exceeds the Expected Service Level Target for each of month of the four (4) Measurement Periods immediately following the Measurement Period in which the Service Level Default occurred.
- 7.2 Whenever Supplier is entitled to an Earnback, Supplier shall include such Earnback as a charge to Client (indicated as an Earnback) on the same invoice that contains charges for the Measurement Period giving rise to such Earnback, and include such information in Supplier's monthly performance reports as described in Section 4 of this Schedule.
- 7.3 In no event may Supplier earn back a Service Level Credit related to a Minimum Service Level Default.
- 7.4 Upon termination or expiration of the Agreement, Service Level Credits issued by Supplier are no longer subject to Earnback.

## **8.0 CHANGES TO SERVICE LEVELS**

### **8.1 Continuous Improvement**

The Parties agree that the Service Levels shall be subject to continuous improvement, and accordingly, the Service Levels shall be modified with effect from the end of each Contract Year in accordance with the following:

### **8.2 Expected Service Level Targets**

- (a) Subject to Section 8.2(b), each Expected Service Level Target shall be reset to the average of the four (4) highest monthly actual results (for example, 99.6% is higher than 99.4%) at or above the Expected Service Level Target achieved during the previous Contract Year; however, if fewer than four (4) monthly actual results exceeded the Expected Service Level Target, then the Expected Service Level Target shall be reset by taking the four (4) highest monthly actual results, replacing each such actual result that is below the Expected Service Level Target with the Expected Service Level Target, and dividing the sum of the resulting four (4) numbers by four (4).

For example, if the Expected Service Level Target being adjusted were 99.6%, and there were three (3) actual results that were higher and none equal (for example: 99.90%, 99.80%, and 99.70%), the calculation would be  $((99.90\% + 99.80\% + 99.70\% + 99.60\%) / 4) = 99.75\%$  with the reset governed by Section 8.2(b)).

- (b) In no event shall any single increase in an Expected Service Level Target pursuant to Section 8.2 exceed 10% of the difference between 100% and the then-current Expected Service Level.

For example, if the Expected Service Level Target being adjusted were 99.60%, the maximum increase for that reset would be 0.04% (in other words, from 99.60% to 99.64%).

### 8.3 Minimum Service Level Target

Each Minimum Service Level Target shall be reset by adding to the then current Minimum Service Level Target 5% of the difference between 100% and the then current Minimum Service Level.

For example, if the Minimum Service Level Target being adjusted was 99.40%, the increase would be 0.03% (for example, from 99.40% to 99.43%).

### 8.4 Additions, Deletions, and Modifications

- (a) Subject to Section 8.1 and Section 8.5, Client may, once per Contract Year quarter by giving written notice to Supplier at least thirty (30) calendar days prior to the effective date of the Service Level change (and such notice may contain multiple additions, deletions, or changes):
  - (i) add or delete Service Levels;
  - (ii) change Service Levels from Critical Service Levels to Key Measurements or from Key Measurements to Critical Service Levels; or
  - (iii) modify the Service Level Credit Allocation Percentage for any Critical Service Levels.
- (b) Where such additions or substitutions may occur in conjunction with changes to the environment and the introduction of new Equipment or Software or means of Service delivery that is, in each case, a replacement or upgrade of existing technology, there shall be a presumption of equivalent or improved performance.
- (c) All new Service Levels shall:
  - (i) be quantifiable, measurable and objective; and

- (ii) have an Expected Service Level Target and a Minimum Service Level Target.
- (d) Following any Change:
  - (i) the sum of the Service Level Credit Allocation Percentages for all Critical Service Levels shall equal the Pool Percentage; and
  - (ii) if a Service Level Credit Allocation Percentage has not been defined for a Critical Service Level, then the Service Level Credit Allocation Percentage shall be zero (0%).

## 8.5 Performance Standards for Additional Service Levels

If Client adds a Service Level in accordance with Section 8.4, the Expected Service Level Target and Minimum Service Level Target for such Service Level shall be agreed by the Parties. Should the Parties not agree, they shall be computed as follows:

- (a) If at least nine (9) consecutive months of Supplier-provided service measurements exist for a particular Service that is being performed by the Supplier, then:
  - (i) the Expected Service Level Target shall be the average of such service measurements for the nine-month Measurement Period; and
  - (ii) the Minimum Service Level Target shall be the second lowest service measurement achieved during the nine-month Measurement Period; or
- (b) if the nine months of measurements described in Section 8.5(a) do not exist, then the Parties shall attempt in good faith to agree on an Expected Service Level Target and a Minimum Service Level Target using industry-standard measures or Third-Party advisory services that are paid for equally by the Supplier and the Client.
- (c) If the measurements do not exist and the Parties fail to agree in accordance with Section 8.5(a)(i), then:
  - (i) Supplier shall begin providing monthly measurements within ninety (90) calendar days after Supplier's receipt of Client's written request given pursuant to Section 8.5(a); and
  - (ii) after nine (9) or more actual Service Level performance measurements have been captured, or should have been captured, Client may at any time in writing require that the Expected Service Level Target and Minimum Service Level Target Commitments be

established in accordance with Section 8.5(a). If Supplier fails to capture one or more actual Service Level performance measurements, Section 8.5(d) shall apply.

- (d) If Supplier fails to provide one (1) or more of the measurements during the nine-month Measurement Period to be provided in accordance with Section 8.5(c), then the missing measurements shall be constructed as follows:
  - (i) If one (1) measurement is missing, the missing measurement shall be constructed by using the highest of the eight (8) actual measurements; or
  - (ii) if two (2) or more measurements are missing, the first missing measurement shall be constructed by using the highest of the actual measurements and adding to that measurement 20% of the difference between that measurement and 100%, and each of the remaining missing measurements shall be constructed by using the highest of the actual measurements and adding to that measurement 35% of the difference between that measurement and 100%.

For example: If there were seven (7) measurements for a particular Service, and the highest of the seven (7) measurements was 95%, then the measurements for the missing two (2) months would be 96.00% (representing 95.00% plus (20% of 5%)) and 96.75% (representing 95.00% plus 35% of 5%), respectively.

## **9.0 END TO END SERVICE LEVELS**

- 9.1 The Client has identified certain key processes for which it will measure performance across the end to end process as identified in Exhibit 2 to the applicable SOW.
- 9.2 These end to end service levels will be subject to all the provisions of Sections 1 to Section 8 of this Schedule.
- 9.3 The Client will require Root Cause Analysis (RCA) for each Service Level Default. This RCA will be managed by the Supplier.
- 9.4 The Service Level Default will remain in place regardless of the result of the RCA or any other analysis. For the avoidance of doubt, even if a Supplier is deemed not responsible as part of the RCA process, they will still be subject to Service Level Default provisions as stated in this Schedule.



## 10.0 CRITICAL DELIVERABLES

- 10.1 Certain of Supplier's obligations under the Agreement are one-time or periodic obligations to deliver Critical Deliverables. Critical Deliverables are core components of the Services without which Client may not properly receive the benefit of the Agreement. Exhibit 2 to the applicable SOW sets forth the Critical Deliverable Credits that shall be payable by Supplier to Client in the event Supplier fails to deliver any of the Critical Deliverables within the time period specified in Exhibit 2 to the applicable SOW.
- 10.2 Supplier acknowledges and agrees that Critical Deliverable Credits shall not be deemed or construed to be liquidated damages or a sole and exclusive remedy or in derogation of any other rights and remedies Client has hereunder or under the Agreement.
- 10.3 Supplier shall agree to the amount of the Critical Deliverable Credit which shall be applicable to each Critical Deliverable in accordance with Exhibit 2 to the applicable SOW.
- 10.4 If the Supplier fails to deliver to Client any Critical Deliverable as described in Exhibit 2 to the applicable SOW, in format and content acceptable to Client, Supplier shall credit Client with the Critical Deliverable Credit as set forth in Exhibit 2 to the applicable SOW. Additionally, if such Critical Deliverable is not delivered by the 7th calendar day from the day the Critical Deliverable was originally due, Supplier shall credit to Client an additional amount ("**Additional Critical Deliverable Credit**") to be calculated as 25% of the Critical Deliverable Credit for each week or partial week thereafter until the obligations for delivery are fulfilled. There shall be no limit applied to the amount of Additional Critical Deliverable Credits that may be applicable to a single failure to deliver.
- 10.5 Critical Deliverable Credits shall be separate from and not a part of the At-Risk Amount.
- 10.6 Critical Deliverables are not Service Levels.
- 10.7 Critical Deliverable Credits are not Service Level Credits.
- 10.8 Critical Deliverable Credits are not subject to Earnback.
- 10.9 Supplier further acknowledges that there may be occasions during the Term when additional Critical Deliverables may be required to support New Services or different services. In these instances, the Parties shall mutually agree to a pool of monies, which Client may then allocate among these Critical Deliverables (the "**Deliverable Credits**").
- 10.10 Supplier shall reflect any Critical Deliverable Credits due to Client on the invoice that contains charges for the month during which the Critical Deliverable Credits were incurred.

Example:

The amount of Critical Deliverable Credits payable for failure to deliver any Critical Deliverable(s) in August shall be reflected on the invoice for August charges issued in September.



**HYDRO ONE**  
**REQUEST FOR PROPOSAL**  
**SCHEDULE 5.4**  
**CLIENT SATISFACTION SURVEYS**

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**Proponent Instructions**

Refer to Section 4A of the RFP document.

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## 1.0 INTRODUCTION

For purposes of this Schedule, capitalized terms will have the meanings set out below:

**[Note to Supplier: As part of the drafting process, all relevant definitions currently found in Common Exhibit 1 and used in this Schedule are to be incorporated in this Section 1.2.1.]**

**“Client Satisfaction Survey(s)”** means any survey of the level of satisfaction among Client’s personnel, including senior management, with the Services and the Supplier Personnel.

**“Satisfaction Survey Principles”** means the basis upon which the survey is conducted which has been approved by the Client in consultation with the Supplier.

**“Service Request Satisfaction Survey”** means any survey issued to one or more Client personnel receiving Services through the Service Desk.

**“Project Satisfaction Survey”** means a survey issued to the Project stakeholders at the end of Projects selected by the Client as part of the Project closeout procedure.

**“Stakeholder Satisfaction Survey”** means any survey conducted through interviews with stakeholders on a frequency established by the Client.

**“Satisfaction Survey”** means each of the Client Satisfaction Survey, Service Request Satisfaction Survey, the Project Satisfaction Survey and the Stakeholder Satisfaction Survey.

## 2.0 INTRODUCTION

Both the Client and the Supplier recognize the importance of the Client Satisfaction Surveys and a consistent measurement methodology as a tool for improving Services on an ongoing basis.

## 3.0 SATISFACTION SURVEY PRINCIPLES

The Satisfaction Survey Principles are set forth below:

- 3.1 The Supplier in consultation with the Client shall be responsible for establishing a statistically significant sampling program for the Service Request Satisfaction Survey;
- 3.2 The Supplier shall randomly identify Projects to be subject to the Project Satisfaction Survey, and also a list of Project stakeholders who will receive the survey for each of the selected Projects. The Client shall approve or request the Supplier to make changes to either the selected projects or the stakeholders;
- 3.3 The Supplier will identify and periodically refresh lists of Client personnel who are invited to participate in the Stakeholder Satisfaction Surveys for the Services overall. Such list(s) shall be reviewed with the Client and Client approval shall be

sought. The Client shall approve or request the Supplier to make changes to either the selected Projects or the stakeholders

- 3.4 Supplier shall be responsible for measuring Client satisfaction levels on a regular and consistent basis using survey methods approved by the Client;
- 3.5 For each Client Satisfaction Survey, Supplier will distribute the Client Satisfaction Surveys and will collect and tabulate the resulting survey data;
- 3.6 Supplier will identify upward and downward trends in Client satisfaction levels across all three surveys as identified in Section 3.1 above and to present and review survey trends and findings at monthly Client meetings;
- 3.7 Whereas a result of its review of the survey trends Client notifies Supplier of an underlying issue it believes is reducing satisfaction, Supplier shall produce an action plan for remediation of the issue and present the plan for Client approval within thirty (30) days of that notification; and
- 3.8 Supplier will conduct all Satisfaction Surveys required under this Schedule and perform the analysis of the results.

#### **4.0 SATISFACTION SURVEY OBJECTIVES**

With respect to Satisfaction Surveys conducted by Supplier under this Schedule, Supplier will:

- 4.1 Collect all relevant data about satisfaction levels among Client's personnel with the Services and with the applicable Supplier Personnel performing the Services on a regular basis as agreed by the Client using a consistent approach and methodology to allow for an accurate and comprehensive comparison over time;
- 4.2 Ensure that Supplier personnel understand the importance of achieving a high level of Client satisfaction with the Services and how Client satisfaction will remain a Supplier focus throughout the Term; and
- 4.3 Ensure that Supplier identifies and implements action plans for responding to Client Satisfaction issues.

#### **5.0 DEVELOPMENT AND REFRESH OF SATISFACTION SURVEYS AND SURVEY METHODOLOGY**

No less than thirty (30) days in advance of the Commencement Date, Supplier will propose and seek Client agreement upon:

- 5.1 The timing and specific statements of the initial Satisfaction Survey that will be used as the baseline for comparing future Client Satisfaction Surveys, and a proposed Client Satisfaction Survey and survey methodology, including a

proposed schedule for conducting Service Request Satisfaction Surveys, Project Satisfaction Surveys and Stakeholder Satisfaction Surveys throughout the Term.

5.2 Each Client Satisfaction Survey to be conducted by Supplier under this Schedule will:

- (a) include a combination of:
  - (i) rated responses to a series of survey questions, and
  - (ii) an opportunity for free format feedback;
- (b) include statements specific to each SOW, the Projects and the Services that elicit feedback from Client personnel receiving applicable Services;
- (c) deploy a five point scale ranging from: 1-Very Dissatisfied, 2-Somewhat Dissatisfied, 3-Neutral, 4-Somewhat Satisfied and 5-Very Satisfied;
- (d) include clear, concise and unambiguous survey questions and instructions;
- (e) contain survey questions about the Services and Supplier Personnel performing the Services designed to elicit feedback on the following general attributes:
  - (i) responsiveness;
  - (ii) performance;
  - (iii) knowledge and innovation;
  - (iv) reliability and integrity;
  - (v) courtesy;
  - (vi) timeliness;
  - (vii) quality;
  - (viii) communication; and
  - (ix) overall satisfaction
- (f) include an indication of how the completed survey data will be used; and



- (g) comply with any other Client Satisfaction Survey related requirements that Supplier is made aware of by Client, acting reasonably.

5.3 For each Satisfaction Survey, Supplier shall submit to Client for its approval, at least thirty (30) days prior to the scheduled Satisfaction Survey release date, a copy of the Client Satisfaction Survey related draft written communications to Client personnel, and detailed survey methodology that will be used for the Satisfaction Survey. For each Satisfaction Survey, Supplier shall update the Client Satisfaction Survey, communications templates and survey methodology to reflect any changes required by the Client after consultation with the Supplier. At a minimum, each Satisfaction Survey will contain the survey questions set out in Attachment A attached to this Schedule.

## **6.0 CONDUCT OF SATISFACTION SURVEYS**

- 6.1 Each Service Request Satisfaction Survey form will be delivered by personalized e-mail in which the respondent is invited to log onto a web based tool to complete and submit a survey response.
- 6.2 Each Project Satisfaction Survey form will be delivered by personalized e-mail in which the respondent is invited to log onto a web based tool to complete and submit a survey response.
- 6.3 For Client Stakeholder Surveys, Client Stakeholders will be invited to participate in a phone or in-person interview.

In conducting any Satisfaction Survey, Supplier shall:

- (a) follow up with Client participants to maximize response rate to the survey requests;
- (b) track Satisfaction Survey's response rates;
- (c) receive, tabulate and analyze completed survey responses in accordance with the survey methodology;
- (d) measure satisfaction of Client Personnel, SOW lead Client Personnel and Client senior management, and report on specific findings for identified Projects and for the Services.

## **4. Satisfaction Survey Results Reporting**

At monthly Client meetings, Supplier shall present:

- (a) a report on the Service Request Satisfaction Survey, including trends over a rolling 12 months history;

- (b) the results of any Project Satisfaction Surveys completed since the last meeting, together with trends over a rolling 24 month period;
- (c) the results of any Stakeholder Satisfaction Survey interviews completed since the last meeting, including any specific areas identified for improvement; and
- (d) an analysis of the trends reported, with recommended actions to correct any downward trends.
- (e) actions taken to correct any failure or deficiency identified during the survey process, and shall report their outcomes.

## ATTACHMENT A TO SCHEDULE 5.4

### Service Request Satisfaction Survey

#### Minimum Sample Questions

Questions	Score
1. To what extent are you satisfied with the Supplier responsiveness to your request?	
2. Was the Supplier knowledgeable about your requirements?	
3. Did the Supplier perform the services as communicated in the response to your request?	
4. Did the quality of the Supplier's service meet your requirements?	
5. Were the Supplier personnel courteous and effective in their communications with you?	
6. What is your overall satisfaction with the service provided by the Supplier?	
7. Please provide any additional comments on the services that are provided by the Supplier	
The rating system for your answers is: 1-Very Dissatisfied, 2-Somewhat Dissatisfied, 3-Neutral, 4-Somewhat Satisfied and 5-Very Satisfied	

**Project Satisfaction Survey**  
**Minimum Sample Questions**

Questions	Score
1. Did the Supplier provide sufficient notice of project activities?	
2. Did the Supplier complete the work to the communicated schedule?	
3. Did the project deliver the results promised?	
4. Were the Supplier personnel courteous and effective in their interactions with you?	
5. What is your overall satisfaction with the project delivered by the Supplier?	
6. Please provide any additional comments on the services that are provided by the Supplier:	
The rating system for your answers is: 1-Very Dissatisfied, 2-Somewhat Dissatisfied, 3-Neutral, 4-Somewhat Satisfied and 5-Very Satisfied	

## Stakeholder Satisfaction Survey

### Minimum Sample Questions

Questions	Score
1. Did the services provided by the Supplier during the past survey interval (1 year/6 months) meets your business requirements?	
2. Did the Supplier complete the work to the communicated schedule?	
3. Did Supplier consistently deliver the results promised?	
4. Were the Supplier personnel courteous and effective in their interactions with you and your staff?	
5. What is your overall satisfaction with the services provided by the Supplier?	
6. Please provide any additional comments on the services that are provided by the Supplier:	
The rating system for your answers is: 1-Very Dissatisfied, 2-Somewhat Dissatisfied, 3-Neutral, 4-Somewhat Satisfied and 5-Very Satisfied	



**HYDRO ONE**

**REQUEST FOR PROPOSAL**

**SCHEDULE 9.1**

**GOVERNANCE**

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## 1.0 INTRODUCTION

The purpose of this Schedule 9.1 is to establish the formal processes, procedures and structure for managing the relationship between the Client and Supplier, to facilitate the alignment of interests of the Parties and to provide the means to maintain a healthy relationship level between each Party.

This Schedule 9.1 and its attachments set out the Supplier-specific governance operating model, which includes:

- (a) organization and staffing;
- (b) governance roles and accountabilities;
- (c) governance processes and implementation priorities;
- (d) decision rights;
- (e) committee structures and protocols; and
- (f) the form of the content for the service management and governance manual.

Supplier will support the development and implementation of the governance operating model using leading industry practices and leveraging their expertise and resources (e.g., tools, templates).

All capitalized terms not defined in this Schedule will have the meanings defined in the Agreement.

Whenever used in this Schedule, the following terms will have the corresponding meanings set out below:

**[Note to Supplier: As part of the drafting process, all relevant definitions currently found in Common Exhibit 1 and used in this Schedule are to be incorporated in this Section 1.]**

## 2.0 CHARTER

Client has certain business objectives and governing principles for the supplier service management and Governance operating model (the “**Charter**”).

The objectives of the Governance operating model are to:

- (a) Establish a set of governing principles, guidelines, formal processes and procedures for managing the relationship between the Client and Supplier;
- (b) Establish a set of governing formal processes and procedures for managing the performance of the Client and Supplier obligations;

*Schedule 9.1 - Page 4 of 12*

- (c) Maintain alignment on the realization of the business benefits for Client and Supplier that caused them to enter into the Agreement while respecting the economic imperatives of each Party;
- (d) Maintain awareness with key stakeholders of the scope of Services, Supplier performance requirements, key contract terms and critical milestones;
- (e) Clarify the decision making rights, accountabilities, roles, obligations between Client and Supplier;
- (f) Establish formal channels of communication with the Client and Supplier stakeholders;
- (g) Ensure that the Services provided under the Agreement are tightly integrated with the services delivered by Client;
- (h) Mitigate any other general risks during the Term and any termination assistance period that would impact the achievement of the overall business case to either Party; and
- (i) Establish a central point of governance for the outsourced Services to facilitate effective and efficient resolution of matters, issues, etc. between the Client and Supplier.

Supplier agrees to develop together with Client an appropriate balanced scorecard reporting, which supports the Charter objectives, to support the management control objectives identified in the Charter.

The principles of the Governance operating model are:

- (j) Be proactive and timely in all joint interactions;
- (k) Work together to solve problems at their origin;
- (l) Foster a fair, productive and collaborative relationship characterized by:
  - i. Open and frank discussions;
  - ii. Focusing on continuous improvement;
  - iii. Taking responsibility and meeting commitments;
  - iv. Working jointly to eliminate surprises;
  - v. Sharing information.

- (m) Leverage Supplier's expertise wherever possible;
- (n) Ensure internal and external communications are timely and complete;
- (o) Ensure that Supplier effectively manages the operational aspects of delivering the Services and that Client focuses on performance outcomes; and
- (p) Ensure quality is a key component of the delivery of Services.

### 3.0 ORGANIZATION

Client will nominate a Client responsible executive and Supplier will nominate a Supplier responsible executive (each, a "**Responsible Executive**"), and will fully empower these Responsible Executives to act in fulfilling the objectives of Governance including establishing appropriate communication, management and interfaces with Client Lines of Business ("**LOB**"), Client Governance team and any other parties identified within the Agreement.

Each Responsible Executive will put in place the Governance organization that contains all the roles identified to ensure the performance of its respective obligations, to fulfill the objectives of Governance, and the Client and Supplier will collaborate to exercise the functions of governance as set out in this Schedule.

To the extent there is any inconsistency between any organizational information Supplier maintains and the information maintained by Client in its Governance library, the inconsistency will be resolved in favour of the information in Client's Governance library, which Governance library may include the following (the "**Governance Library**"):

- (a) **Client Service Management and Governance Organization:** Includes organization charts, description of functions performed, and contact information.
- (b) **Supplier Management and Delivery Organization:** Includes organization charts, description of functions performed, and contact information.
- (c) **Key Contacts – Client:** The list of Client key contacts with contact information.
- (d) **Key Contacts – Supplier:** The list of Supplier contacts with contact information.
- (e) **Key Contacts – Third Parties:** The list of key third parties (such as maintenance providers, landlords, and subcontractors).

## **4.0 ROLES AND ACCOUNTABILITIES**

### **4.1 Client Executive Sponsor Role**

The “Client Executive Sponsor” is designated by the Client and is the final level of escalation within the Client organization, and is accountable for senior level relationship between the Client and Supplier corporations.

### **4.2 Client Responsible Executive Role**

The Client Responsible Executive Role accountabilities will include:

- (a) Managing the overall business relationship with Supplier.
- (b) Ensures success of the relationship and alignment on the realization of the business benefits to each Party that caused them to enter into the Agreement.
- (c) Providing leadership and guidance to the Client Governance organization.
- (d) Working with the Supplier Responsible Executive to progress the strategic goals and business objectives of the arrangement.
- (e) Resolving escalated issues in accordance with the Governance escalation procedures.
- (f) Providing liaison activities and guidance with Supplier’s corporate executive leadership in regard to the strategic needs of Client.
- (g) Serving as the executive level contact between Client and Supplier.
- (h) Ensuring performance of the obligations described in this Schedule.

### **4.3 Client Line of Business (LOB) Service Recipient Management Role**

The Client LOB Management Role has primary accountability for:

- (a) Primary operational oversight accountability for Supplier’s performance and quality of Services, and ensuring Client obligations are met (if any), etc.
- (b) Approving (or declining) all work requests and Projects.
- (c) Approving, authorizing, and overseeing all outsourcing operating policies and procedures.

- (d) Reviewing and approving termination transition plans related to LOB outsourced Services.
- (e) Monitoring implementation by Supplier of Client operational risk and compliance framework, policies and processes.
- (f) Reviewing and accepting Supplier performance reports and ensuring Service Levels and Service obligations are met.
- (g) Ensuring the Supplier manages and reports Incidents involving the Supplier, Supplier Subcontractors, vendors, etc. review such Incidents with the Supplier.
- (h) Providing communication to Client Personnel affected by Supplier.
- (i) Reviewing and approving specific Project plans and operational Change management activities within their scope of responsibilities.
- (j) Monitoring fulfillment of Client Dependencies identified in the Statements of Work.

#### **4.4 Client Governance Management Role**

The Client Governance Management Role has primary accountability for the ongoing management and oversight of Supplier's obligations under the Agreement, including:

- (a) The establishment of the Governance operating model, maintenance of the model.
- (b) Staffing and managing the Client Governance organization.
- (c) Development, implementation and adherence to the Governance processes.
- (d) Developing and implementing the decision rights governing the Agreement.
- (e) Tracking fulfillment of Critical Deliverables and Governance Deliverables.
- (f) Managing Benchmarking activities.
- (g) Receiving escalated issues and attempting to resolve such issues according to the Governance issue escalation and dispute resolution procedures.
- (h) Evaluating Service Level Credits and facilitate approval or rejection of any action plans and or excusal requests related to Service Level Defaults.

- (i) Evaluating and approving Innovation gain sharing mechanisms, and assure their alignment with the agreed-upon principles of Innovation.
- (j) Approving, authorizing, and overseeing all outsourcing governance policies and procedures.
- (k) Verifying implementation by Supplier of Client risk management strategy.
- (l) Developing and executing an annual compliance plan for the Services, including compliance monitoring.
- (m) Monitoring Supplier identified risks related to the Services and the effectiveness of the mitigations.
- (n) Monitoring and managing compliance by Supplier with risk and compliance obligations.
- (o) Liaising with applicable Client organizations to ensure Supplier is provided with information regarding all applicable Client Policies with which Supplier is to comply as set forth in the Agreement.
- (p) Responsible for ensuring that Client's stakeholders' expectations are managed effectively, reviewing need for business requirement changes and evaluating user satisfaction with Supplier services.
- (q) Facilitating the development and execution of the Service performance management processes and tools; facilitating the reviews of Service quality, performance, cost and reliability; and works with the Client and Supplier management teams to enable effective quality and Service support management and reporting.
- (r) Oversight and management of Supplier's performance across all areas of service delivery.

#### **4.5 Client Commercial Management Role**

The Client Commercial Management Role has primary administrative accountabilities for the Agreement, Changes and ensuring Supplier compliance with all reporting obligations, Critical Deliverables and other Service delivery obligations under the Agreement including:

- (a) Ensuring receipt and review of all Deliverables and obligations required in accordance with the Agreement.

- (b) Developing standard governance reporting and communication requirements between Supplier and Client.
- (c) Developing and assisting with negotiations related to all addendums and updates to the Agreement that are required during the Term.
- (d) Assisting with interpretation and intent of the Parties in regard to the terms and conditions of the Agreement.
- (e) Providing support to Client LOB management as required.
- (f) Managing and tracking all contract changes.

#### **4.6 Client Transition Management Role**

The Client Transition Management Role has the overall accountability the Client Transition oversight and for fulfilling Client's obligations under the Transition Plan including:

- (a) Reviewing and acceptance of the Transition Plan and any revisions to the Transition Plan, including any contingency arrangements.
- (b) Establishing the Client Transition management office and the Transition processes.
- (c) Monitoring Supplier's obligations and managing Client's obligations under the Transition Plan.
- (d) Ensuring Client resources are available when required during the Transition.
- (e) Establishing the acceptance criteria for Transition Deliverables.
- (f) Acceptance and signoff of the Transition Deliverables.

#### **4.7 Client Financial Oversight Role**

The financial management of the Agreement is critical to providing accuracy and auditability of all related financial transactions and to making sure proper financial controls are in place during the term of the Agreement. This role oversees the financial activities related to the Agreement and the delivery of the Services. Accountabilities include:

- (a) Overseeing and managing all Charges including payment authorization.
- (b) Monitoring the Client's outsourcing business case and financial value achievement.

- (c) Supporting Client LOB's in reviewing and analyzing all Supplier-sponsored initiatives.
- (d) Assisting Client LOB's in and supporting, as needed, the review of monthly non-base charges to ensure the accuracy of Supplier's Charges, Client Retained Expenses, and Pass-Through Expenses.
- (e) Monitoring that anticipated and agreed-upon Supplier financial accountabilities are not converted to Client Retained or Pass-Through Expenses.
- (f) Managing the resolution of invoicing and payment issues that have been escalated.

#### **4.8 Supplier**

**[Note to Supplier: Supplier to add its Supplier Governance Roles.]**

### **5.0 GOVERNANCE PROCESSES**

- 5.1 The Client and Supplier will jointly develop a process responsibility matrix (the "Governance Process Functional Matrix") that details who is accountable and involved in the development and maintenance of each process.
- 5.2 The Client and Supplier will jointly develop the governance processes that Client intends to implement. The processes will be categorized by Client based on timing priority.

### **6.0 GOVERNANCE DECISION-MAKING RIGHTS**

- 6.1 A decision-making rights model shall be finalized by the Client Governance organization, in collaboration with Supplier, under the direction of the Responsible Executives.
- 6.2 The decision-making rights model facilitates decision-making relative to the Services being provided, as it pertains to the Client stakeholders, the Client Governance organization, Supplier and other potential Third-Parties. The model focuses on "who is accountable for making a decision", "who participates in making the decision" and "who is informed of the decision".

### **7.0 GOVERNANCE COMMITTEES**

In addition to the roles mentioned above, various joint oversight teams and boards will be established by the Responsible Executives to provide a formal mechanism for working together in a collaborative fashion. These joint governance committees will be established by Client during the Implementation.



## **8.0 GOVERNANCE REPORTING**

The Client and Supplier shall meet to define the detailed requirements for the standard Governance reports. Such Governance reporting shall include:

- (a) Summary Executive Reports
- (b) Service Delivery Performance Reports and Trends (by SOW/Domain and across SOWs)
- (c) Financial Governance Reports
- (d) Project Performance and Status Reports
- (e) Service Level Reports
- (f) Transition Reports
- (g) Transformation Milestone Status Reports
- (h) Milestones and Critical Governance Deliverables Status Report
- (i) Escalated Issues Status Report
- (j) Continuous Improvement Status Report
- (k) Minutes
- (l) Balanced Scorecard
- (m) Supplier Deliverables Status Report

## **9.0 GOVERNANCE DELIVERABLES**

The Client and Supplier shall implement the governance deliverables as defined by Client during the implementation. Both Client and Supplier shall cooperate to work in good faith to complete the governance deliverables as defined.



**HYDRO ONE**  
**REQUEST FOR PROPOSAL**  
**SCHEDULE 9.2**  
**CHANGE AND NEW SERVICE PROCEDURES**

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**Proponent Guidelines**

This Exhibit of the RFP contains specific information supplied by Hydro One for the Proponent's use when responding to the RFP.

**Proponent Instructions**

Refer to Section 4A of the RFP document.

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## **SCHEDULE 9.2**

### **CHANGE AND NEW SERVICE PROCEDURES**

#### **1. Overview**

This Schedule describes the procedures to be followed in respect of the request and approval of Changes and New Services (the “**Change and New Service Procedures**”). For ease of reference, the various categories of revisions to the Services and the applicable process that should be followed are set out in the chart in Appendix I to this Schedule 9.2.

#### **2. Change Requests and New Service Requests By Client; Change Proposals and New Service Proposals by Supplier**

- (a) Client may request a Change or New Service by providing to Supplier a written Change request (a “**Change Request**”) or a written request for New Services (a “**New Service Request**”), as applicable. **[Note to Supplier: Forms for Change and New Service Proposals are to be provided at a later date.]**
- (b) Supplier will respond to each Change Request or New Service Request within five (5) Business Days by delivering to Client:
  - (i) for Change Requests, a detailed, written Change proposal (a “**Change Proposal**”); or
  - (ii) for New Service Requests, a detailed, written New Service proposal (a “**New Service Proposal**”).
- (c) For each Change Proposal or New Service Proposal Supplier will include the following information, as applicable:
  - (i) the specifications for the Change or New Service, and a description of how and when the proposed Change or New Service would be implemented, including a schedule for the implementation that meets Client’s business requirements;
  - (ii) a description of the effect, if any and to the extent Supplier is aware, that implementation of the Change or New Service would have on: (A) Client or any Affiliate of Client, other service providers of Client, or their respective hardware, software, systems, Client Data or business processes or other operations; (B) Client’s ability to access any Material of Client; or (C) the ability of Supplier to perform its obligations in accordance with this Agreement;
  - (iii) an analysis of the risk, if any and to the extent Supplier is aware, that implementation of the Change or New Service would or could interfere with the operation of any hardware, software, systems, Client Data or

business processes and process flows or other operations of Client or other service providers of Client or would otherwise have an adverse effect on Client's operations, including its business processes and process flows, and including associated contingency plans, back-out procedures, ability to repatriate any Service, or other risk mitigation plans;

- (iv) a statement of the fees that Supplier proposes to charge Client, if any, that result from the Change or to perform any New Service (separately identifying all one-time fees, ongoing fees, and any Pass-Through Expenses) and any other applicable pricing requirements set out in this Agreement, along with supporting documentation detailing Supplier's calculation of the proposed fees and justifying Supplier's conclusion that it is entitled to charge the proposed fees and that such Services are not already paid for as part of the Fees payable hereunder;
  - (v) for Change Requests, if the Change Request involves a Change that includes the removal or reduction in the scope of any of the Services provided, proposed reductions to the Fees payable to reflect the reduction in scope; and
  - (vi) any other information reasonably necessary for Client (as determined by either Party) to evaluate the Change Proposal or New Service Proposal, as applicable.
- (d) Client will not be charged for the review or preparation of any Change Proposal or New Service Proposal, including any revisions thereof.
- (e) After Client's receipt of a Change Proposal or New Service Proposal, Client may:
- (i) seek further clarification from Supplier as it deems necessary;
  - (ii) propose modifications or suggest improvements to any aspect of the Change Proposal or New Service Proposal, as applicable, by notifying the Client Responsible Executive for Supplier (or such other person as may be designated as a delegate in writing by the Client Responsible Executive) of such modifications or improvements; or
  - (iii) reject the Change Proposal or New Service Proposal by notifying the Client Responsible Executive for Supplier (or such other person as may be designated as a delegate in writing by the Client Responsible Executive).
- (f) If Client proposes modifications or improvements to the Change Proposal or New Service Proposal, Supplier will submit a revised Change Proposal or New Service Proposal, as applicable. Client reserves the right to accept or reject, in its discretion, any Change Proposal or New Service Proposal submitted by Supplier in response to a Change Request or New Service Request, as applicable. If Client rejects a Change Proposal or New Service Proposal, then the Parties will treat the

Change Proposal or New Service Proposal, as applicable, and the corresponding Change Request or New Service Request, as withdrawn.

- (g) A Change Proposal that is signed by both Parties is referred to as a **“Change Order”** and is binding on the Parties and forms part of the Agreement.
- (h) If a New Service Proposal is acceptable to Client, the Parties will negotiate in good faith to complete a Statement of Work for the applicable New Service in accordance with Section 4.2 of the Agreement.
- (i) Supplier will not implement any Change or perform any New Service unless a Change Order for the Change or a Statement of Work or Change Order for the New Service is executed by authorized representatives of each Party.
- (j) Supplier will not be entitled to reject any Change Request or New Service Request received from Client unless: (i) it is not technically possible to carry out the proposed Change or New Service; or (ii) the proposed Change or New Service will cause Supplier to breach Laws.

### 3. **Change Proposals or New Service Proposals initiated by Supplier**

- (a) Where Supplier desires to propose a Change or New Service, it will prepare and deliver to Client a detailed, written Change Proposal or New Service Proposal, as applicable, which will include the information set out in Section 2(c) above.
- (b) Each such Change Proposal will be submitted by Supplier to Client. Supplier will promptly make such further information available to Client as Client may reasonably request to enable Client to properly evaluate the Change Proposal.
- (c) Client reserves the right to accept or reject, in its discretion, any Change Proposal or New Service Proposal submitted by Supplier in respect of a proposed Change or New Service initiated by Supplier.
- (d) Client will not be charged for the review or preparation of any Change Proposal or New Service Proposal, including any revisions thereof.

### 4. **Documentation**

- (a) Supplier will maintain a record of each Change Request, Change Proposal, Change Order, New Service Request, New Service Proposal, Statement of Work, and all other documentation relating thereto during the Term, and will make such record readily accessible to Client at all times.
- (b) Where there are two or more Change Requests or Change Proposals, they will be handled by Supplier in accordance with this Schedule as prioritized by Client.

**APPENDIX I  
TO SCHEDULE 9.2**

Category	Request/Approval Process
Contract Amendments	<p>Contract Amendments are agreed in accordance with the applicable provisions of the Agreement. The Change and New Service Procedures do not apply.</p> <p>The requesting Party will provide written notice of the necessary contract change and appropriate wording for the other Party to consider.</p>
Changes	Follow the Change and New Service Procedures.
Projects	Follow the proposal process for Projects as described in Schedule 3.1(a) (Project Methodology)
Changes to a Project	Follow the Change and New Service Procedures (as defined within the context of the particular Project).
New Services	Follow the Change and New Service Procedures.
Service requests contemplated by a SOW and routine installs, moves, adds and changes contemplated by a SOW or the Procedures Manual	<p>The Change and New Service Procedures do not apply.</p> <p>Service requests shall be requested, approved and implemented in accordance with the process set out in the applicable Statement of Work or Operations Procedures Manual at no additional fees.</p>





**HYDRO ONE**  
**REQUEST FOR PROPOSAL**  
**SCY-7000003720**

**COMMON EXHIBIT 2.1**  
**STATEMENT OF WORK**  
**CROSS-FUNCTIONAL SERVICES (GENERAL)**  
**NOVEMBER 7, 2013**

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**Supplier Guidelines**

This Common Exhibit of the RFP contains specific information supplied by Client for the Supplier's use when responding to the RFP.

**Supplier Instructions**

Refer to Part 4B and Part 5 of the RFP Instructions

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## **1.0 INTRODUCTION**

This Common Exhibit sets forth the Cross-Functional Services that the Supplier will provide, in addition to those described in the Common Exhibit 2.2 (Cross-Functional Services (ITO)) and/or Common Exhibit 2.3 (Cross-Functional Services (Non-ITO)), within each domain as part of the Services as of the Commencement Date unless otherwise specified in other Exhibit. This Common Exhibit describes the obligations to work with the other Suppliers, and the Client to deliver Cross-Functional Services, as of the Commencement Date unless otherwise specified in other Exhibits, for all Services that affect it and other Suppliers.

## **2.0 OBJECTIVES AND GENERAL REQUIREMENTS**

The Client may appoint (additional) Supplier(s) in the future to perform the Service Integration and Management role on its behalf.

The Supplier confirms that unless otherwise specifically stated, it will provide a solution that supports all of the Cross-Functional Services and Processes described in this Agreement and its Attachments, and that all Services and BAU activities, unless otherwise specifically stated, are included within Schedule 16.1 and Exhibit 3 to the applicable SOW. Accordingly, the Supplier also confirms that the Client shall not incur any other charges in relation to the services described in this Statement of Work.

The Supplier shall be responsive to the current and future requirements of the Client, by proactively anticipating needs, and adjusting Services accordingly within the Ongoing Charges described in Schedule 16.1 and Exhibit 3 to the applicable SOW.

The Client shall, at its sole option, use multiple Suppliers to deliver Services and the Supplier shall co-operate with other Suppliers, and the Client to deliver Services within this multi-Supplier environment in the best interests of the Client.

For all the Services that are supplied to the Client, for the scope of Services of the Supplier, the Supplier shall integrate all Services, processes, and activities to provide aggregated, across Supplier and other Third Parties, end-to-end Services for the Client, at no additional cost to the Client

## **3.0 COOPERATION WITH OTHER SUPPLIERS**

The following requirements detail the principles of cooperation the Client expects Supplier to apply when working with other Suppliers.

1. The Supplier shall work with other Supplier(s) to develop, maintain and participate in a warm handshake process such that the handover process between parties clearly identifies accountability status and notifies all relevant parties of any status changes.
2. The Supplier shall ensure any warm handshake process issues are resolved within the agreed terms of the Operating Level Agreement (OLA) and in the event of a breach of service, immediately highlight the issues to the appropriate governance body.



3. The Supplier shall and shall ensure that its Subcontractors, cooperate with all relevant Suppliers.
4. The Supplier shall provide access, as other Suppliers shall reasonably require, in order to provide its Services (on such notice as is reasonable in the circumstances) to documentation, assets (including Client assets under the Supplier's control), materials and Client data provided that the documentation, material and assets are not Commercially Sensitive Information and can be provided in compliance with Data Protection Legislation and provided further that where the materials, documentation or assets are owned by third parties. The Supplier shall only be obliged to use its reasonable endeavors to provide such access. Access to Supplier premises or facilities shall be mutually agreed by the Parties, such agreement shall not be unreasonably withheld.
5. The Supplier shall co-ordinate its efforts with any other Supplier so that:
  - 5.1. work, materials and services provided by other Suppliers can be efficiently and effectively integrated into the provision of the Services
  - 5.2. any issues which develop between the Supplier and such other Suppliers can be managed proactively with the aim of resolving such issues promptly.
6. The Supplier shall provide such information regarding the operation and delivery of the Services as is reasonably required by Client or other Suppliers in connection with the Services provided by other Suppliers provided such information is not Commercially Sensitive Information and can be provided in compliance with Data Protection Legislation.
7. If reasonably required by the Client, the Supplier shall attend meetings with other Suppliers.

## **4.0 INTEGRATION COMMON SERVICES**

### **4.1 Objectives**

The Supplier shall in accordance with the requirements defined by the Client, coordinate all necessary aspects of delivering Services in a multi-domain, multi-Supplier environment. The Supplier will work with the other Suppliers and Client to establish and maintain Service Management Processes, Governance, and Tools that integrate with the Cross-Functional Service Management Processes, Governance, Tools, Interfaces and organizational elements to provide consistent management and support of effective communication and coordination of the delivery of Cross-Functional Services and Services in scope. The Supplier will support and participate in ad-hoc teams, committees, Cross-Supplier teams as may be established by the Client.

The Supplier shall implement the standards, policies, controls, guidelines and releases for its Service Management Processes as defined and required by the Client.

The Supplier shall ensure and validate the compliance of the Service Management Processes and Interfaces to other Suppliers and the Client to ensure that they meet the legislative and policy requirements to which the Client must comply. In addition, understand all applicable Client policies and regulatory requirements and how current processes and systems map against those policies and regulatory requirements.



## 4.2 Processes

The Client requires that the Supplier's Service Management practices, which are used to support the Cross-Functional Services, are based on the current industry best practices and standards.

The Supplier's responsibilities will include:

1. Apply and implement standards, policies, controls, guidelines and releases for the Service Management practice and Service Management Processes in accordance to the Change Management Process. The Supplier shall be financially responsible for all such changes to the extent such changes do not change the scope of the Services, but the way the Services are generated or performed.
2. Support the Client to record the Cross-Functional Service Management Processes in the common Procedures Manual for Cross-Functional Services. In addition, the Supplier should record its own Service Management Processes, which are not relevant across Suppliers, in the Procedures Manual as set forth in Schedule 4.8.
3. Where Applicable, certify its own Service Management Processes at least within 12 months of the Commencement date at its own expense and cost, as defined by the Client.
4. Manage, coordinate, track, and report on its Service Management activities with respect to the scope described in the Agreement(s). The Supplier accepts that, while some Process activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Functional Services and require cooperation and joint work between the Supplier, the other Suppliers and the Client to perform such Process activities.
5. Follow a regular schedule for reoccurred activities and defined triggers for event driven activities as defined by the Client and support the Client in establishing and maintaining a regular Cross-Functional schedule.
6. Support the information exchange between and among the Suppliers as directed by the Client and drive continued improvement of the Service Management Processes in scope.
7. As directed by the Client, the Supplier shall establish and manage controls to ensure that its Service Management Processes and Interfaces provide an audit trail that meets the regulatory and policy requirements to which the Client must comply, including:
  - a) Recording detailed audit information of all activity that creates, changes, or deletes data and user access to Systems that contain Client data,
  - b) Providing end-to-end traceability even when transactions span across multiple applications, Systems Components or parties,
  - c) Recording detailed audit information of all activity that creates, changes, or deletes data and user access to Systems that contain Client data.

8. Develop tools/scripts and enhancing processes to proactively perform and automate the Service Management Processes and implement tools/scripts as directed by the Client to support the Cross-Functional Service Management Processes.
9. Interface with a central Cross-Supplier Web repository as maintained by the Client and update it with Service Management tools, templates, process documentation and reports as directed by the Client.
10. The Supplier shall conduct Cross-Functional Service audits as requested by the Client and report back to the Client as required. Such audits are to be completed within 30 days of receipt of the written audit request from the Client.
11. Supplier shall provide to Client project performance governance reporting, in the format that meets Client requirements. .
12. Uses its own Service Management tools, the Supplier shall conduct audits as directed by the Client, of operational accuracy and effectiveness, efficiency in the management of all ticket records through to closure and the use of Service Management tools and define improvements as directed by the Client. This includes validating, gaining assurance, and providing evidence of such assurance on request, that the Supplier creates accurate and complete records detailing the Lifecycle of every individual record.
13. Manage tracking efforts within its Services and notifications to the Client and other Suppliers and maintain regular communication between all parties.

### **4.3 Tools**

The Supplier's responsibilities will include:

1. Provide, manage, operate and maintain the Service Management tools and Interfaces in compliance with the Client Service Management tooling Architecture as set out in Attachment F to Exhibit 1 (Technical Architecture) to the IMS SOW and Attachment K to Exhibit 1 (Technical Architecture) to the ADM SOW.
2. If the Supplier provides its own Service Management tools, it shall set-up, operate and maintain Service Management tools that integrate seamlessly with the Cross-Functional Service Management tools and Interfaces of the Client and will work in a Cross-Supplier Service Management and Process environment as specified and approved by the Client.
3. Define action remediation plans to address defects and performance failures in the Service Management tools of the Supplier and report progress to the Client.
4. Ensure that the Suppliers' interfaces of data to the Client master databases are standard, accurate and timely and comply with the Client's Data Security Policies.



5. Integrate or interface to the other Supplier's Service Management Tooling and/or to the Cross-Supplier Service Management tools as directed by the Client.
6. Provide appropriate access for the other Suppliers and Authorized Users from all applicable locations where the Services are performed to the Supplier Service Management tools.
7. Provide Client, at the Supplier's expense, with appropriate licenses and/or interfaces to use the Supplier Service Management tools as required performing the processes supported by it.
8. Provide flexible query and report writing tooling with at least 50 user access licenses for Client access to Cross-Functional Service Management information.
9. Provide the Client, other Suppliers and Authorized Users with appropriate training in using Supplier Service Management Systems and Tools.

#### **4.4 Data**

The Supplier's responsibilities will include:

1. Ensure the data associated with all Services becomes and remains the property of the Client.
2. Share and exchange any such data or information with the Client and/or other Suppliers.
3. Provide such data when requested by the Client either in raw form, as summaries, or as reports as set out in Exhibit 4 (Service Reports) to the Applicable SOW or as agreed with the Client. Such reporting is not static and the reporting requirements may change throughout the Term,
4. Provide to the Client ownership of, and access to, any data stored in the Supplier's Service Management Systems and tools that has been created or imported as a result of the Supplier's performance of the Cross-Functional Services in this Statement of Work.
5. Ensure that the Client and other Suppliers receive Service Management data to the standards, levels of integrity and formats mandated by the Client.
6. Securely segregate Client Data so that it can be accessed only by those authorized to comply with regulations and in accordance with Client policy.
7. The Supplier shall initially capture operations data for the Services and populate and use the Tools in accordance with the data specifications and standards specified by the Client.
8. Back up and store data per Client back up and retention policies, including off-site storage requirements.

#### **4.5 People**

The Supplier shall provide personnel that:



1. Understand Client Business and its Business Clients and respond appropriately,
2. Understand Client technology, applications, and sourcing arrangements,
3. Are adequately skilled and trained to provide support for the Services,
4. Possess the appropriate competencies to provide the Services,
5. Have adequate training on new products and services, as they become part of the Supplier's responsibilities from time to time.

#### **4.6 Communication**

The Supplier's responsibilities will include:

1. Assist the Client in the preparation of communications relating to the Services as requested by the Client.
2. Assist the Client in ensuring that all communications are targeted, accurate, comply with the Client communications policies and are issued on schedule.
3. Assist the Client in developing communications on request from the Client which can include: e-mails, intranet postings and newsletters.
4. Assist the Client in delivering communications through the Client approved channels or authorizing other Suppliers to issue communications through the Client's approved communications channels.

### **5.0 SERVICE STRATEGY**

The Service Strategy phase of the Service Management Lifecycle is to create value for the Client's Business by delivering Services that meet the requirements of the Business and guaranteeing their Availability, Capacity, Continuity and Security in order to meet the Business' requirements.

The Service Strategy processes are:

1. Strategy Management,
2. Project Portfolio Management,
3. Demand Management ,

#### **5.1 Strategy Management**

##### **5.1.1 Definition**

Strategy Management for Services is the process of defining and maintaining an organization's perspective, position, plans and patterns with regard to its Services and the management of those Services. The purpose of a Service Strategy is to articulate how a Supplier will enable an organization to achieve its business outcomes; it establishes the criteria and mechanisms to decide which Services (Cross-Functional Services and Supplier Services) will be best suited to meet the business outcomes and the most effective and efficient way to manage these Services.



### **5.1.2 Scope**

The Supplier shall proactively support the Client in the creation and maintenance of a Service Strategy and comply with Client strategy assessment, definition and execution processes as they evolve.

### **5.1.3 Strategic assessment**

The Supplier shall provide information that assists the Client in performing a Strategic Service Assessment by analyzing the existing Services in line with Client requirements, including but not limited to:

1. Internal Assessment, assessing:
  - a) The Business Strategy to determine the Client view on current value,
  - b) Existing services as they reflect the current positioning, differentiation and strategy of the Client Line of Business organization form a baseline for potential growth,
  - c) Service Management Assessment to understand the current level of Service Management Maturity to determine limitations or boundaries,
  - d) Identifying candidates and requirements for the deployment of new technology or the automation of tasks associated with the Services and/or Client's Business processes and Business Services in support of Client's Business requirements,
  - e) Skills and Knowledge of the people (Unique knowledge, experience and skills),
  - f) Relationship with the business units to assess the quality of the relationship,
  - g) Lessons learned from past successes and failures.
2. External Assessment, assessing:
  - a) Relationship and dependencies to other organizations and partners,
  - b) Standards or regulatory requirements e.g. certification like ISO/IEC 27001.

The Supplier shall provide information and advice that assists the Client in:

1. Performing risk assessment for the Service Portfolio,
2. Predicting future developments and identifying new Services,
3. Identifying potential Services Portfolio (covered in Services Portfolio Management),
4. Identifying options for Service Delivery.

### **5.1.4 Strategy generation**

The Supplier shall assist and advise the Client in:

1. Developing strategies and solutions based on Client's Business requirements,
2. Developing the Services vision statement and charter,
3. Developing a mission Statement and organizational Service targets,



4. Defining Strategic goals and managing those based on a scorecard,
5. Proactively identify strategies, approaches, and Projects for future Service delivery that the Supplier believes will provide the Client with competitive advantages and that may result in increased efficiency, effectiveness, performance, or cost savings.

The Supplier shall implement the Service Strategy as directed by the Client.

#### **5.1.5 Measurement and evaluation**

The Supplier shall provide relevant data and reports as defined by Client.

The Supplier shall provide the Client with pre-defined Data required to maintain the Client's Balanced Scorecard.

The Supplier shall assist the Client in identifying Continual Service Improvement activities in accordance with the activities described in **Section 6 Continual Service Improvements**.

### **5.2 Project Portfolio Management**

#### **5.2.1 Definition**

Project Portfolio Management governs the investments for Projects across the Client's enterprise, manages them to achieve business value and analyzes the project portfolio for value leakage.

#### **5.2.2 Scope**

The Supplier shall support the Client in defining, analyzing and managing the Project Portfolio for all Services that affect it and the other Suppliers, as requested by the Client and in the Client's best interest.

The Supplier accepts that, while some Project requests may only affect the Services within the scope of the Supplier, there will be Project requirements that apply across multiple Suppliers and require cooperation and joint work between the Supplier and the other Suppliers to come to a common Project solution. Therefore the Project Portfolio Management activities as described in this Schedule do apply to all types of Projects (multi-Supplier and single Supplier).

The Supplier agrees that it will integrate the Project Portfolio Management activities within the scope of all of the Services that are provided to the Client

#### **5.2.3 General Considerations**

##### **5.2.3.1 Process Set-Up and Maintenance**

The Supplier shall inform the Client of project requirements with regards to its Services demonstrating economic viability and benefits for the Client.

The Supplier shall collaborate with the other Suppliers and inform the Client of Cross-Supplier project requirements demonstrating economic viability and benefits for the Client.



## **6.0 CONTINUAL SERVICE IMPROVEMENT**

### **6.1 Definition**

The purpose of Continual Service Improvement is to manage improvements to Service performance by continually measuring/reporting and making improvements to the processes and Services in order to increase efficiency, effectiveness (including cost effectiveness) for the Client's Business.

### **6.2 Scope**

The Supplier shall manage and oversee the Continual Service Improvement Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Supplier Continual Service Improvement Process.

The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Supplier Services and require cooperation and joint work between the Supplier, Client, and the other Suppliers.

### **6.3 General Considerations**

#### **6.3.1 Process Set-Up and Maintenance**

The Supplier shall establish and maintain a Continual Service Improvement Process, Policies and Tools in accordance to the requirements defined by the Client for its Services. The process must conform to good practice for Continual Service Improvement, Client requirements and align to the Client's Process Requirements.

The Supplier shall integrate its Continual Service Improvement Process and other Service Management Processes with the Cross-Supplier Continuous Improvement Process, subject to the Client's approval.

The Supplier shall be compliant with the Client's Continual Service Improvement policy, processes and standards, as directed by the Client.



**HYDRO ONE**  
**REQUEST FOR PROPOSAL**  
**SCY-7000003720**  
**COMMON EXHIBIT 2.2**

**CROSS FUNCTIONAL SERVICES (ITO)**

**NOVEMBER 7 , 2013**

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### **Supplier Guidelines**

This Common Exhibit of the RFP contains specific information supplied by Client for the Supplier's use when responding to the RFP.

### **Supplier Instructions**

1. Refer to Part 4B and Part 5 of the RFP instructions.

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## 1.0 INTRODUCTION

This Common Exhibit sets forth the Cross-Provider Services that the Supplier will provide and describes its obligations to work with the other Suppliers and the Client to deliver Cross-Provider Services to the Client and the Client, as of the Commencement Date unless otherwise specified in other Exhibits, for all Services that affect it and other Suppliers.

### 1.1 ATTACHMENTS

The following Attachments are hereby incorporated into and deemed part of this Common Exhibit:

- Attachment A - Asset Inventory Data Elements Requirements
- Attachment B - Disaster Recovery Plan Description
- Attachment C – Business Impact Assessment
- Attachment D – Business Continuity Plan

### 1.2 DOCUMENT CONVENTIONS

Certain conventions with respect to the drafting of Supplier's shared responsibilities with Client shall be construed as follows.

1. References to standards, processes and procedures within the OPM include any such standard, process or procedure that is agreed by the Parties and made available to the Parties via a Client web site.
2. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Agreement including without limitation Exhibit 1 thereto.
3. Except as otherwise expressly stated, all section references in this Exhibit shall be to the sections of this Exhibit, unless another reference is provided.
4. Supplier's responsibility statements that begin with the following phrases indicate a shared responsibility with Client or third parties as follows:
  - a) "Assist in ...." indicates Client or a third party has the primary role in the performance of the task.
  - b) "Work with Client to ...." indicates Client and Supplier share the responsibility equally.
  - c) "..., with Client's assistance, ...." indicates Supplier has the primary role in the performance of the task.
5. Regarding the responsibilities of Supplier or Client to provide assistance:
  - a) Statements within this Exhibit that identify Supplier's responsibilities as "Assist in ..." shall mean "Providing adequate numbers of qualified Supplier Personnel with suitable training, education, linguistic fluency, experience, qualifications and skill to assist Client or its third parties in ...".
  - b) Statements within this Exhibit that identify Client's responsibilities as "Assist in ..." shall mean "Providing the applicable knowledge of Client's work practices, organization, policies and standards to assist Supplier in ...".



## **2.0 OBJECTIVES AND GENERAL REQUIREMENTS**

The Client or Client may appoint (additional) Supplier(s) in the future to perform Cross-Provider Services on its behalf. The Supplier shall assume throughout this document that, in the absence of such an appointment, the role of Client as referenced throughout this Agreement shall be performed by the Client with any support it may procure from its Suppliers to assist and augment its performance of this role.

The Supplier confirms that unless otherwise specifically stated, it will provide a solution that supports all of the Applicable Cross-Provider Processes described in this Agreement and its Attachments, and that all Services and BAU activities, unless otherwise specifically stated, are included within Schedule 16.1 (Fee Methodology). Accordingly, the Supplier also confirms that the Client or Client shall not incur any other charges in relation to the services described in this Statement of Work.

The Supplier shall be responsive to the current and future requirements of Client and Client, by proactively anticipating needs, and adjusting Services accordingly within the < Note: Reference to be adjusted: Ongoing Charges described in Schedule 16.1 (Fee Methodology).

The Client or Client shall, at its sole option, use multiple Suppliers to deliver Services and the Supplier shall co-operate with other Suppliers and the Client to deliver Services within this multi-Supplier environment in the best interests of the Client.

## **3.0 INTEGRATION COMMON SERVICES**

### **3.1 Objectives**

The Supplier shall in accordance with the requirements defined by the Client, coordinate all necessary aspects of delivering Services in a Cross-Provider environment. The Supplier will work with the Client and other Suppliers to establish and maintain Service Management Processes, Governance and Tools that integrate with the Cross-Provider Service Management Processes, Governance, Tools, Interfaces and organizational elements to provide consistent management and support of effective communication and coordination of the delivery of Cross-Provider Services and Services in scope.

The Supplier shall implement the standards, policies, controls, guidelines and releases for its Service Management Processes as defined by the Client and required by the Client.

The Supplier shall ensure and validate the compliance of the Service Management Processes and Interfaces to other Suppliers and the Client to ensure that they meet the legislative and policy requirements to which the Client must comply.

### **3.2 Processes**

The Client requires that the Supplier's IT Service Management practices, which are used to support the Cross-Provider Services, are based on the currently released version of the ITIL guidelines and will support subsequent versions and releases as specified by the Client.

The Supplier's responsibilities will include:

1. Apply and implement standards, policies, controls, guidelines and releases for the Service Management practice and where applicable Service Management Processes in accordance to the Change Management Process. The Supplier shall be financially responsible for all such changes to the extent such changes do not

change the scope of the Services, but the way the Services are generated or per-formed.

2. Support the Client to record the Cross-Provider Service Management Processes in the common Policies and Procedures Manual for Cross-Provider Services. In addition, the Supplier should record its own Service Management Processes, which are not relevant cross Providers, in the Policies and Procedures Manual as set forth in Schedule 9.1 (Governance).
3. Where Applicable, certify its own Service Management Processes at least within 12 months of the Commencement date at its own expense and cost, as defined by the Client.
4. Responsibility for managing, coordinating, tracking, and reporting on its Service Management activities with respect to the scope described in the Agreement(s). The Supplier accepts that, while some Process Activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers to perform such Process Activities.
5. Follow a regular schedule for reoccurred activities and defined triggers for event driven activities as defined by the Client and support the Client in establishing and maintaining a regular Cross-Provider schedule.
6. Support the information exchange between and among the Suppliers and the Client as directed by the Client and drive continued improvement of the Service Management Processes in scope.
7. As directed by the Client and Client, the Supplier shall establish and manage controls to ensure that its Service Management Processes and Interfaces provide an audit trail that meets the regulatory and policy requirements to which the Client and the Client must comply, including:
  - a) Recording detailed audit information of all activity that creates, changes, or deletes data and user access to Systems that contain Client data,
  - b) Providing end-to-end traceability even when transactions span across multiple applications, Systems Components or parties,
  - c) Recording detailed audit information of all activity that creates, changes, or deletes data and user access to Systems that contain Client data.
8. Develop tools/scripts and enhancing processes to proactively perform and automate the Service Management Processes and implement tools/scripts as directed by the Client to support the Cross-Provider Service Management Processes.
9. Interface with a central Cross-Provider Web repository as maintained by the Client and update it with Service Management tools, templates, process documentation and reports as directed by the Client.
10. The Supplier shall support the Client in at least six monthly audits on the effectiveness of the Service Management Processes and report back to the Client as required.

11. Execute Project Management activities in accordance to the Client's Project Management Methodology.
12. Uses its own Service Management tools, the Supplier shall conduct audits as directed by the Client, of operational accuracy and effectiveness, efficiency in the management of all ticket records through to closure and the use of Service Management tools and define improvements as directed by the Client. This includes validating, gaining assurance, and providing evidence of such assurance on request, that the Supplier creates accurate and complete records detailing the Lifecycle of every individual record.
13. Manage tracking efforts within its Services and notifications to the Client and other Suppliers and maintain regular communication between all parties.

### 3.3 Tools

The Supplier's responsibilities will include:

1. Provide, manage, operate and maintain the Service Management tools and Interfaces in compliance with the Client Service Management tooling Architecture as set out in Attachment K to Exhibit 1 (Technical Architecture) of the ADM SOW and this Common Exhibit and as specified by the Client.
2. If the Supplier provides its own Service Management tools, it shall set-up, operate and maintain Service Management tools that integrate seamlessly with the Cross-Provider Service Management tools and Interfaces of the Client and will work in a Cross-Provider IT Service Management and Process environment as specified and approved by the Client and/or Client.
3. Define action remediation plans to address defects and performance failures in the Service Management tools of the Supplier and report progress to the Client.
4. Ensure that the Suppliers' interface of data to the Client and Client master databases are standard, accurate and timely and comply with the Client's IT and data Security Policies.
5. Integrate or interface to the other Supplier's IT Service Management Tooling and/or to the Cross-Provider Service Management tools as directed by the Client.
6. Provide appropriate access for the Client, other Suppliers and Authorized Users from all applicable locations where the Services are performed to the Provider Service Management tools.
7. Provide Client and Client, at the Supplier's expense, with appropriate licenses and/or interfaces to use the Supplier Service Management tools as required performing the processes supported by it.
8. Provide flexible query and report writing tooling with at least 50 user access licenses for the Client access to Cross-Provider Service Management information.
9. Provide the Client, other Suppliers and Authorized Users with appropriate training in using IT Service Management Systems and Tools.

### **3.4 Data**

The Supplier's responsibilities will include:

1. Ensure the data becomes and remains the property of the Client.
2. Share and exchange any such data or information with the Client, Client and/or other Supplier.
3. Provide such data when requested by the Client either in raw form, as summaries, or as reports as set out in Exhibit 4 (Service Reports) of the applicable SOW or as agreed with the Client. Such reporting is not static and the reporting requirements may change throughout the Term,
4. Provide to the Client ownership of, and access to, any data stored in the Supplier's Service Management tools that has been created or imported as a result of the Supplier's performance of the Cross-Provider Services in this Statement of Work.
5. Ensure that the Client, Client and other Suppliers receive IT Service Management data to the standards, levels of integrity and formats mandated by the Client or Client.
6. Securely segregate Client Data so that it can be accessed only by those authorized to comply with regulations and in accordance with Client policy.
7. The Supplier shall initially capture operations data for the Services and populate and use the Tools in accordance with the data specifications and standards specified by the Client and Client.

### **3.5 People**

The Supplier shall provide personnel that:

1. Understand Client Business and its Business Clients and respond appropriately,
2. Understand Client technology, applications, and sourcing arrangements,
3. Are adequately trained to provide support for the Services,
4. Possess the appropriate competencies to provide the Services,
5. Have adequate training on new products and services, as they become part of the Supplier's responsibilities from time to time.

### **3.6 Communication**

The Supplier's responsibilities will include:

1. Assist the Client or the Client in the preparation of communications relating to the Services as requested by the Client.
2. Assist the Client or the Client in ensuring that all communications are targeted, accurate, comply with the Client communications policies and are issued on schedule.

3. Assist the Client or the Client in developing communications on request from the Client or Client which can include: e-mails, intranet postings and newsletters.
4. Assist the Client or the Client in in delivering communications through the Client approved channels or authorizing other Suppliers to issue communications through the Client's approved communications channels.

## **4.0 SERVICE STRATEGY**

The Service Strategy phase of the Service Management Lifecycle is to create value for the Client's Business by delivering Services that meet the requirements of the Business and guaranteeing their Availability, Capacity, continuity and Security in order to meet the Business' requirements.

The Service Strategy processes are:

1. Strategy Management,
2. Service Portfolio Management,
3. Project Portfolio Management,
4. Demand Management ,
5. Client Satisfaction Management.

### **4.1 Strategy Management**

#### **4.1.1 Definition**

Strategy Management for Services is the process of defining and maintaining an organization's perspective, position, plans and patterns with regard to its Services and the management of those Services. The purpose of a Service Strategy is to articulate how a Supplier and Client will enable an organization to achieve its business outcomes; it establishes the criteria and mechanisms to decide which Services (Cross-Provider Services and Supplier Services) will be best suited to meet the business outcomes and the most effective and efficient way to manage these Services.

#### **4.1.2 Scope**

The Supplier shall proactively support the Client and Client in the creation and maintenance of a Service Strategy and comply with Client strategy assessment, definition and execution processes as they evolve.

#### **4.1.3 Strategic assessment**

The Supplier shall provide information that assists the Client and the Client in performing a Strategic Service Assessment by analyzing the existing IT Services in line with Client and Client requirements, including but not limited to:

1. Internal Assessment, assessing:
  - a) The Business Strategy to determine the parameters in which IT must work and Client view on current value,

- b) Existing services and technologies as they reflect the current positioning, differentiation and strategy of the IT organization form a baseline for potential growth (leveraging technical innovations),
  - c) IT Service Management Assessment to understand the current level of IT Service Management Maturity to determine limitations or boundaries,
  - d) d) Assisting in projecting future volume, technology, geographic changes that could Impact Client's Systems and technical Architecture, including any outputs from the Capacity Management, Availability Management and Demand Management Processes,
  - e) Identifying candidates and requirements for the deployment of new technology or the automation of tasks associated with the Services and/or Client's Business processes and Business Services in support of Client's Business requirements,
  - f) Skills and Knowledge of the people (Unique knowledge, experience and skills),
  - g) Relationship with the business units to assess the quality of the relationship,
  - h) Lessons learned from past successes and failures.
2. External Assessment, assessing:
- a) Relationship and dependencies to other organizations and partners,
  - b) Industry IT spending rate to set a spending targets (executing Benchmarking activities,
  - c) Vendor strategies and product roadmaps as well as Technology trends,
  - d) Clients to assess business needs,
  - e) Standards or regulatory requirements e.g. certification like ISO/IEC 27001,
  - f) Profitability.

The Supplier shall provide information and advice that assists the Client and Client in:

- 1. Performing risk assessment for the Service Portfolio,
- 2. Predicting future developments and identifying new Services,
- 3. Identifying potential Services Portfolio (covered in Services Portfolio Management),
- 4. Identifying options for Service Delivery,
- 5. Analyzing competition and market positioning.

#### **4.1.4 Strategy generation**

The Supplier shall assist and advice the Client and the Client in:

- 1. Developing strategies and solutions based on Client's Business requirements,
- 2. Developing the Services vision statement and charter,
- 3. Developing a mission Statement and organizational Service targets,
- 4. Defining Strategic goals and managing those based on a scorecard.
- 5. Proactively identify strategies, approaches, and Projects for future Service delivery that the Supplier believes will provide the Client with competitive

advantages and that may result in increased efficiency, effectiveness, performance, or cost savings.

6. Developing and updating the long-range, comprehensive plan for Client's Integrated Services, IT Systems, processes, technical Architecture and standards (the "Long-Range IT Plan"). While the Client will be primarily responsible for this plan, the Supplier shall serve as a key collaborator. The Long-Range IT Plan will be developed on an annual basis, and shall include a rolling three (3) year projection of anticipated Changes (subject to Client Business and planning requirements).
7. Providing to the Client specific short-term steps and schedules for Projects or Changes expected to occur within the first twelve (12) months of the rolling plan.

The Supplier shall implement the Service Strategy as directed by the Client.

#### **4.1.5 Measurement and evaluation**

The Supplier shall provide relevant data and KPIs to the Client to measure the success of the IT Strategy based on pre-defined KPIs, as defined by the Client.

The Supplier shall support the Client and Client in managing the Client's Long-Range IT Plan by providing and communicating:

1. Equipment and Software Architecture and standards,
2. Industry and technology trends,
3. Regulatory issues/changes,
4. Data and lessons learned from the operating Environment,
5. Trend analysis from resource and consumption data to predict future demand,
6. Good practice from Supplier's other Client accounts.

The Supplier shall provide the Client with pre-defined Data required to maintain the Client's Balanced Scorecard and Long-Range IT Plan.

The Supplier shall assist The Client in identifying Continual Service Improvement activities in accordance with the activities described in **Section 8 Continual Service Improvements**.

## **4.2 Service Portfolio Management**

### **4.2.1 Definition**

Service Portfolio Management governs investments in Service Management across the enterprise and manages them to achieve business value through the development of New Services and modification and/or retirement of existing Services. Service Portfolio Management shall be closely integrated with the other ITIL Processes (particularly Financial Management, Demand Management, Service Catalogue Management and Capacity Management) in order to manage and control all aspects of Service Portfolio Management for Services.

### **4.2.2 Scope**

The Supplier shall manage and oversee the Service Portfolio Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Service Portfolio Management Process. The Supplier accepts that, while some Service Portfolio Management activities may only affect the Services within the scope of the Supplier, there will

be Activities that apply to Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers to define, analyze, approve, charter and change the Cross-Provider Service Portfolio.

#### **4.2.3 General Considerations**

##### **4.2.3.1 Process Set-Up and Maintenance**

The Supplier shall establish and maintain a Service Portfolio Management Process in accordance to the requirements defined by the Client for its Services. The process must conform to good practice for Service Portfolio Management, Client requirements and align to the Client Service Portfolio Management solution, as defined and directed by the Client.

The Supplier shall support the Client in realizing the Cross-Provider Service Portfolio objectives in terms of Service pipeline, Service Catalogue and retired Services for Services in scope.

##### **4.2.3.2 Tooling**

The Supplier shall utilize Tooling Requirements that are defined in Attachment K to Exhibit 1 (Technical Architecture) of the ADM SOW.

##### **4.2.3.3 Reporting**

The Supplier shall comply with Reporting Requirement that is defined in Exhibit 4 (Service Reports) to the applicable SOW.

#### **4.2.4 Define (Inventory) Service Portfolio**

The Supplier shall assist the Client to define the potential Cross-Provider Service Portfolio, by providing information regarding its Services including:

1. Definition of a value Proposition,
2. Identifying the inventory of potential services and modifications to existing Services,
3. Validating portfolio data,
4. Evaluating of the impact of proposed service on other Services,
5. Assessing of service value and risks,
6. Determination of assets required to deliver the service and modifications to existing.

#### **4.2.5 Analyse and Review Service Portfolio**

The Supplier's responsibilities will include:

1. Assist the Client in analyzing its Services in the Cross-Provider Service Portfolio, including:
  - a) Maximizing potential Service Portfolio value,
  - b) Aligning and prioritizing potential Services,
  - c) Balancing supply and demand.
2. Provide information as required to the Client.



3. Define Service Models which include the structure of Services and dynamics of Services, in accordance with the requirements of the Client. The Service Models serve as basis to develop Cross-Provider Service Models.
4. Assist the Client to produce a Business Case for the new or changed Services. The Supplier shall provide required Information to the Client.
5. Assist the Client to determine the budget for implementing or changing Services and the preliminary time frame and resources needed.
6. Provide required Information to the Client.

#### **4.2.6 Approve new or Changed Services**

The Supplier's responsibilities will include:

1. Assist the Client and Client in defining and proposing a formal Change Request for the anticipated Service Portfolio Change for approval via the Change Management Process.
2. Provide required data to the Client.

#### **4.2.7 Charter Service Portfolio**

The Supplier's responsibilities will include:

1. Review the Cross-Provider Service Charter regarding implications on its own Services and provide feedback to the Client.
2. Support the Client in tracking progress against the implementation, change or retirement of Services.

#### **4.2.8 Refresh Service Portfolio on an on-going basis and manage the Service Lifecycle**

The Supplier's responsibilities will include:

1. The Supplier shall support the Client at least quarterly to review the Cross-Provider Service Portfolio for its relevant Services. This shall include:
  - a) Providing expertise, information, advice and support for the evaluation of existing Services and new Service opportunities,
  - b) Expertise, information, advice and support required to prepare a proposal and business case for a new Service or changes to existing Service,
  - c) Identifying improvement opportunities for its Services at least quarterly,
  - d) Assessing of the current state of its Services in the Cross-Provider Service Portfolio,
  - e) Assessing if the its Services offered are in line with the Service Strategy,
  - f) Assessing the profitability of existing Service,
  - g) Identifying gaps in its area of the Cross-Provider Service Portfolio,
  - h) Recommending where to focus resources and investments,
  - i) Identifying improvement opportunities.

2. Support the Client to define an Action Plan based on the outcome of the Cross-Provider Service Portfolio Review.

### **4.3 Project Portfolio Management**

#### **4.3.1 Definition**

Project Portfolio Management governs the investments for Projects across the Client's enterprise, manages them to achieve business value and analyzes the project portfolio for value leakage.

#### **4.3.2 Scope**

The Supplier shall support the Client and Client in defining, analyzing and managing the Project Portfolio for all Services that affect it and the other Suppliers, as requested by the Client and in the Client's best interest.

The Supplier accepts that, while some Project requests may only affect the Services within the scope of the Supplier, there will be Projects requirements that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers to come to a common Project solution. Therefore the Project Portfolio Management activities as described in this Common Exhibit do apply to all types of Projects (Cross-Provider and Supplier).

#### **4.3.3 General Considerations**

##### **4.3.3.1 Process Set-Up and Maintenance**

The Supplier shall inform the Client and Client of project requirements with regards to its Services demonstrating economic viability and benefits for the Client.

The Supplier shall collaborate with the other Suppliers and inform the Client of Cross-Provider project requirements demonstrating economic viability and benefits for the Client.

### **4.4 Demand Management**

#### **4.4.1 Definition**

The purpose of Demand Management is to align supply with demand by predicting and regulating the consumption of Services across the enterprise and enables the pro-active management of service needs (demand) vs. business constraints (supply).

Demand Management shall be closely integrated with the other ITIL processes (particularly Financial Management, Service Portfolio Management, Service Catalogue Management and Capacity Management) in order to understand, anticipate, influence, manage and control all aspects of demand for IT Services.

Demand management works at every stage of the lifecycle to ensure that IT Services are designed, tested and delivered to support Client Business Objectives.

#### **4.4.2 Scope**

The Supplier shall manage and oversee the Demand Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Demand Management Process. The Supplier shall comply with the Demand Management Processes and Practices as defined by the Client.

The Supplier accepts that, while some Demand activities may only affect the Services within the scope of the Supplier, there will be Activities that apply to Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

#### **4.4.3 General Considerations**

##### **4.4.3.1 Process Set-Up and Maintenance**

The Supplier shall establish and maintain a Demand Management Process in accordance with the requirements defined by the Client for its Services to enable the pro-active management of Service and to maintain delivery of the Cross-Provider Services and Supplier Services during Failures, spikes in demand or other spontaneous events.

The Supplier shall integrate its Demand Management Process with the Cross-Provider Demand Management Process, where the processes interact.

The Supplier shall integrate its Demand Management Process with the Cross-Provider and its Service Management Processes.

The Supplier shall advise the Client on strategies and methods to pro-actively manage Demand.

##### **4.4.3.2 Tooling**

The Supplier shall use the Demand Management Tool provided by the Client OR The Supplier shall, subject to the requirements and approval of the Client provide a Demand Management Tool including interfaces to the Cross-Provider Demand Management Tool. All costs of creating and operating such interfacing are the responsibility of the Supplier

If the Supplier uses its own Demand Management Tool it shall integrate the Demand Management Tool with the other Cross-Provider and Supplier Service Management Processes and Tools. The Supplier shall maintain a real time data flow and visibility with bi-directional interfaces.

The Supplier shall implement monitoring and reporting of risk indicators of the Demand Management Process as needed to monitor trends and emerging risks.

##### **4.4.3.3 Reporting**

The Supplier's responsibilities will include:

1. Provide to the Client the predicted consumption of the Services on a monthly basis.
2. Report to the Client on patterns of business activity for its Services in scope on a monthly basis.
3. Report, in a timely manner, to the Client the inability to satisfy demand with remedial plans.
4. Report to the Client demand trends and identify and report risks inherent in the current demand forecast / delivery lifecycle (Consolidated the Supplier Report).
5. Providing status update reports and summary reports at the frequency and in a format agreed with the Client as described in Exhibit 4 (Service Reports) of the applicable SOW.

#### **4.4.4 Identify sources of demand forecasting**

The Supplier shall understand the Client Business Strategy and Requirements.

#### **4.4.5 Establish and maintain a Demand Management Forecast Plan**

As specified by the Client, the Supplier shall develop a rolling 12 month forecast and demand plan and make (90 day) adjustments to the forecast and demand plan (as needed) and make this plan available to the Client.

The Supplier shall track the delivery against the Demand Management plan and if required provide status to the Client.

#### **4.4.6 Determine and manage Patterns of business activity**

The Supplier's responsibilities will include:

1. Provide the Client with information required to identify and analyze patterns of business activity to understand the levels of demand that will be placed on the Services in scope to ensure that Services in scope are designed to meet the patterns of business activity and the ability to meet business outcomes.
2. Support the Client in determining, maintaining and documenting the Patterns of Business Activities (PBA) and mapping to appropriate Services.
3. Support the Client in understanding demand patterns from Request Fulfillment and Change Management for Services in scope and how they correlate to Cross-Provider Services.
4. Support the Client in understanding from Capacity Management which Services are utilizing the resources and to what level, and the schedule of when they must be run and how they correlate to Cross-Provider Services.
5. As directed by the Client, identify, analyze and codify such PBA to provide sufficient basis for Capacity Management.
6. As directed by Client use demand data, Service Catalogue and Capacity data to continuously plan the satisfaction of that Demand for Services in scope.

#### **4.4.7 Determine and manage User profiles**

The Supplier shall support the Client in defining, analyzing and maintaining User Profiles (UP) to understand the typical profiles of demand for Services from different types of User, Processes or Applications.

The Supplier shall collaborate with the Client to associate UP's with PBA's for aggregation and documenting relationship to ensures a systematic approach to understanding and managing demand from Client and match demand with appropriate services, service levels and service assets.

#### **4.4.8 Activity-based demand management**

The Supplier's responsibilities will include:

1. As directed by the Client, use data collected regarding current demand and usage of resources, and received demand data, the Service Catalogue and

Capacity data to identify and continuously plan the satisfaction of the demand for Services in scope.

2. Support the Client to identify new demand requirements and usage characteristics arise and work with the Capacity and Service Portfolio Process to manage new or changed requirements.
3. Work with Change Management and Service Portfolio management to obtain approval for investments in additional capacity, new services or changes to Services.
4. Provide the Client with information on usage trends within the Services.

#### **4.4.9 Develop differentiated offerings**

The Supplier shall support the Client to analyze the PBAs and provide utilization and Performance Statistics to the Client.

#### **4.4.10 Manage operational demand**

The Supplier's responsibilities will include:

1. Make recommendations to the Client for improvements in the control of demand and the delivery of demand information.
2. Assist the Client minimizing its costs while maximizing the value it receives from the IT Services. This includes developing PBA's and UP's and making recommendations to reduce End User demands on Systems, when requested by the Client.
3. Cooperate with the Client in assessing As-Is demand management processes and practices, benchmark usage levels and costs, perform detailed analysis of demand and cost drivers, evaluate demand optimization opportunities and solution.
4. Cooperate with the Client to provide demand forecasts and patterns for the Cross-Provider and Supplier Capacity Plan for its Services in scope and work together with Capacity Management to optimize demand for its Services.
5. Support the Client to develop suitable incentives to influence demand.
6. Work with the Client to encourage Authorized Users to make the most efficient use of the Services.
7. Cooperate with the Client to implement Demand Management activities, to encourage End Users to make the most efficient use of the Services, subject to approval by the Client.
8. Configure Services and Systems to make it possible to deliver the Service to only specified groups of End Users where indicated by the PBA or UP (e.g. where internal charging is in place to ration demand), subject to approval by the Client.

## **5.0 SERVICE DESIGN**

The purpose of the Service Design phase of the Service Management Lifecycle is the design and development of new or changed Services based on the Client's Business requirements for introduction into the Live Environment. A key output of this phase is the Service Design Package, which contains all aspects of an IT Service, its requirements through each stage of its Lifecycle. The Service Design processes are:

- a) Design Coordination,
- b) Service Catalogue Management,
- c) Service Level Management,
- d) Capacity Management,
- e) Availability Management,
- f) IT Service Continuity Management,
- g) Information Security Management,
- h) Provider Management,
- i) Architecture and Standards Management

## **5.1 Design Coordination**

### **5.1.1 Definition**

Design coordination is the process responsible for well-coordinated activities during the Services Design phase in order to facilitate and achieve desired business outcomes.

The design coordination process ensures the goals and objectives of the Service design stage are met by providing and maintaining a single point of coordination and control.

### **5.1.2 Scope**

The Supplier shall manage and oversee the Design Coordination Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Design Coordination Process.

The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

### **5.1.3 General Considerations**

#### **5.1.3.1 Process Set-Up and Maintenance**

The Supplier shall establish and maintain a Design Coordination Process in accordance to the requirements defined by the Client for its Services. The Process Requirements include at least an overall approach to Service Design including a common framework across all processes engaged in the Service Design stage to improve effectiveness and efficiency of overall Service Design. The process must conform to good practice for Design Coordination, Client requirements and align to the Client Design Coordination solution, as defined and directed by the Client.

The Supplier shall integrate its Design Coordination Process and other Service Management Processes with the Cross-Provider Design Coordination Process, subject to the Client's approval.

#### **5.1.3.2 Reporting**

The Supplier shall provide reports against Client defined KPIs for measuring its Service Design Process steps against the overall Cross-Provider Design Process.

#### **5.1.4 Define and maintain policies and methods**

The Supplier shall assist the Client to define and implement Policies and consistent practices for Design work related to projects and changes.

According to the Client's specifications, the Supplier shall ensure that all documents for Cross-Provider and Supplier Service Solution Design are stored in a central repository **owned by the Client**.

#### **5.1.5 Plan design resources and capabilities**

The Supplier's responsibilities will include:

1. Provide resources and capabilities required for new or changed Services as requested by the Client and escalate resource constraints proactively to the Client.
2. Assess requirements for resources well in advance by maintaining regular communication with sources of change (e.g. Service Portfolio Management, Change Management), as required by the Client.
3. Cooperate with the Client to perform a gap analysis for resources and capabilities and define an action plan and address gaps by defining implementing appropriate actions.

#### **5.1.6 Coordinate design activities**

The Supplier's responsibilities will include

1. Perform all design activities across Projects and Changes including management of schedules, resources and support teams, as required by the Client.
2. Ensure that schedules are clear and milestones are communicated and achieved and status is reported to the Client.
3. Validate that all designs cover functional as well as non-functional (e.g. warranty) requirements by conducting reviews, as required by the Client.
4. Ensure that schedules are clear and milestones are communicated and achieved for its Services in cooperation with the Client.
5. Ensure that enterprise architecture standards are met by integrating all aspects of the design into its Services in Scope.

#### **5.1.7 Manage design risks and issues**

In cooperation with the Client, the Supplier shall assess and manage risk associated with design activities to prevent issues that might cause an insufficient design, including common as well as individual risk related to a specific design project or changes if in compliance with Program Management Policies and Procedures defined by the Client.

The Supplier shall establish an issue management process in accordance with Process Requirements defined by the Client, to enable responding to issues during design stage across Suppliers in compliance with Program Management Policies and Procedures defined by the Client

#### **5.1.8 Improve service design**

The Supplier's responsibilities will include:

1. Monitor and measure performance of the design coordination process, in cooperation with the Client and assess if goals and objectives of the design stage are constantly achieved.
2. Assess if goals and objectives of the design stage are constantly achieved and identify any improvement opportunities to foster effectiveness and efficiency in cooperation with the Client.
3. Log improvement ideas in the Continuous Service Improvement (CSI) register and communicate it back to the Client who then shall select improvements for action and add the improvements to the Service Improvement Plan (SIP).
4. Be responsible for the planning of designs for its Services in cooperation with the Client and ensure that the full service design package is considered when planning the individual design project or change (utility, warranty, requirements to operate, maintain and support the service, as well as training to allow effective use by authorized users) and cover all design aspects in support of the service charter.

#### **5.1.9 Coordinate individual designs**

The Supplier shall coordinate and ensure involvement of relevant resources for Services in Scope to achieve an appropriate design, in cooperation with the Client as required.

The Supplier shall translate the requirements into designs across and ensure that all design activities adhere to requirements, policies and procedures as specified by the Client.

#### **5.1.10 Monitor individual designs**

The Supplier shall ensure and monitor in cooperation with the Client the on-going design effort across including:

- a) Ensuring consistent use of agreed methods;
- b) Preventing conflicts between design efforts
- c) Ensuring design milestones are met,
- d) Ensuring that design will support desired business outcome,
- e) Identifying any design issue that requires corrective action as early as possible.

#### **5.1.11 Review designs and ensure handover of Service Design Package**

The Supplier's responsibilities will include:

1. Perform final review in cooperation with the Client as required, to ensure that the design is compliant with design guidelines (standards & conventions) and that design meets agreed requirements and ensure that any issue is documented and assess if it is preventing the handover to service transition.
2. Address actions for issue resolution, subject to approval by the Client. If the issue is preventing the handover to service transition the Client shall revisit the relevant part of service design. If the Issue is not preventing handover plan the Client shall ensure that it is addressed during Service Transition and perform



handover to Service Transition performing relevant activities as specified by transition planning and the support process.

3. In cooperation with the Client initiate the Change Management process to gain authorization and invoke status change of the Service record in the Service Portfolio.

## **5.2 Service Catalog Management**

### **5.2.1 Service Catalog**

The Service Catalog is a database or structured documents with information about all live Services, including those available for deployment. The Service Catalog is the only part of the Service Portfolio published to Clients, and is used to support the sale and delivery of Services. The Service Catalog includes information about deliverables, prices, contact points, ordering and request processes. The overall Service Catalog is divided into the following sub-Catalogs:

- a) Business Service Catalog Management,
- b) Component Service Catalog Management.

### **5.2.2 Business Service Catalog Management**

The Business Service Catalog is part of the overall Services Catalog. It translates client-facing services, into business outcomes or at a minimum aligns the Services description to the needs of the business in terms that they are generally understood or have a specific meaning to the business.

Business Service Catalog management is responsible to provide and maintain accurate information on all Client facing services that are being transitioned or have been transitioned to the live environment.

### **5.2.3 Component Service Catalog Management**

The Component Service Catalog (or Technical Service Catalog) maps and translates the Business Service Catalog into Supporting Services and technical Components.

Moreover it contains any and all contracted Services consumed or available to be consumed by the Client organization.

Service Component Catalog management is responsible to provide and maintain accurate information on all supporting services and their relation to client-facing Services that are being transitioned or have been transitioned to the live environment.

### **5.2.4 Scope**

The Client may procure support from its Client/Providers to assist and augment its Service Catalog role:

The Supplier shall be responsible for managing and overseeing the Component Service Catalog Process for its Services, in accordance to requirements defined by the Client, which include:

- a) Managing interfaces, dependencies and consistency between the Component Service Catalog and the Business Service Catalog,
- b) Assisting the Client by transforming Services Components into Services and provide accurate information on all operational Services and those being prepared to be run operationally,

- c) Maintaining the Component Service Catalog Components in accordance to the requirements defined by the Client,
- d) Interfacing with the Service Level Management to ensure the information is aligned to the business and business process for its Services,
- e) Interfacing with the IT Service Continuity Management on the dependencies of business units and their business processes with the supporting services, contained within the Service Component Catalog,
- f) Interfacing with the Configuration Management on interfaces and dependencies between Services and the supporting Services, components and Configuration Items (CIs) contained within the Service Component Catalog (Technical Service Catalog),
- g) Providing Input into the Business Service Catalog
- h) Reviewing the Component Service Catalog with all relevant stakeholders. The Service Component Catalog is subject to approval by the Client.

## **5.2.5 General Considerations**

### **5.2.5.1 Process Set-Up and Maintenance**

The Supplier's responsibilities will include:

1. Establish and maintain a Component Service Catalog Process in accordance to the requirements defined by the Client, for its Services to integrate the Service Component Catalog (Technical Service Catalog) Services into Business Service Catalog Services. The process must conform to good practice for Component Service Catalog Management, Client requirements and align to the Client Business Service Catalog solution, as defined and directed by the Client.
2. Establish and maintain the approval authority rules and procedures defined by the Client or Client for approving purchases and the associated workflow required to obtain the Service, Equipment, or Software.
3. The Supplier shall provide Service definitions and descriptions for each Service, in accordance to the requirements defined by the Client, using an effective editorial workflow to ensure understandable, accurate and consistent information.  
This shall at least include:
  - a) Categorized Catalog Items by type of IT Service, Configuration type, and/or Equipment or Software type (for example, IMACDs, Network, Desktops, Laptops, printers, office suite Software, PDAs, and so forth) and including all relevant technical specification details, as directed by the Client,
  - b) Any notation required for specific use (or limitation) of each Procurement Item by region, business unit, Project or category of use,
  - c) Technical limitations/requirements for the use of Equipment or Software (for example, minimum disk space, memory, Operating System, and so forth) or execution/delivery of the service are included,
  - d) Links to how to obtain additional information about the service, Equipment, or Software.
4. Implement Demand Management policies in the Component Service Catalog in accordance with the Client's requirements.

5. Ensure that the Component Services Catalog includes all Procurement items for its Services.
6. Where the Supplier is financially responsible for Equipment and Software contained in the Service Component Catalog, the Service Component Catalog should contain the preferred financing approach (purchase or lease), as follows:
  - a) If the preferred approach is to purchase, the list will contain the current purchase amount,
  - b) If the preferred approach is to lease, the list will contain the current monthly lease amount and the lease term.
7. Structure the Services Component Catalog content in accordance with the structure of the Business Service Catalog, to enable the User to perform simple and effective searching for products and Services using the Client's electronic tools and displaying search results according to a logical structure and user friendly format.
8. Ensure that all Equipment and/or Software in use, which is within the refresh cycle approved by the Client or Client and which may be changed from time to time based on technological change and/or Business requirements, is included in the Component Catalog. Decommissioned equipment records must be retained in the catalog as specified by the Client.
9. If applicable, The Supplier shall include all Equipment and/or Software in use as of the Commencement Date in the Service Component Catalog for a minimum of twenty-four (24) months after the Commencement Date, even though it may be decommissioned during that time.

#### **5.2.5.2 Tooling**

The Supplier shall use the Service Catalog Tool from the Client OR Implement and maintain a Component Service Catalog on a relational database System which integrates with the Business Service Catalog and Business Service Catalog Tool. The Client will retain approval for the database design and the Client will have access to the database and the data in an agreed format. The Tool shall include Interfaces for data exchange with the Client and, where appropriate, to and from providing Suppliers. All costs of creating and operating such interfacing are the responsibility of the Supplier.

#### **5.2.5.3 Communication**

The Supplier shall support the Client as required, to continuously communicating with and educating End Users about the need and requirements for use of Products defined in the Business Service Catalog and underpinning Service Component Catalog, including bulletins about upgrade requirements, modification of product support, compatibility issues, and known issues with non-standard products and consequences of using non-standard products.

The Supplier shall publish the Technical Service Catalog in accordance with Client's technical services strategy and/or specification.

#### **5.2.5.4 Reporting**

The Supplier shall provide Service Component Catalog reports to the Client as specified by the Client based on Client requirements.

The Supplier shall provide reporting facilities to the Client that enable access to up-to-date lists of all End Users that are not using Standard Products, and identify the specific use of the non-standard Equipment and/or Software.

### **5.2.6 Maintain and Update Service Catalog**

The Supplier's responsibilities will include:

1. Monitor the up-to-datedness of the Component Service Catalog and ensure that updates are timely, that Catalog standards and data quality are maintained and that retired Requests are removed.
2. Provide all content for the Component Services Catalog to the Client. Such content is to be reviewed and updated on a monthly basis. This shall include regularly an updated list of Equipment and Software that includes the approved products for purchase or lease by the Client for new deployments.
3. Assist the Client to evaluate requested Service additions, Changes or retirements.
4. Update and/or submit RFC for the modification of the Component Service Catalog.
5. Update dependencies between Services and CIs.
6. Publish and/or make Component Service Catalog available to the Client. Depending on the Business Service Catalog strategy, this may also include making the Component Service Catalog available directly to End Users, as requested by the Client.
7. Ensure that all items within the Component Service Catalog are available for prompt delivery including stock availability where relevant.
8. Monitor the Client's Environment for its Services for the introduction and use of non-Standard Products and taking any action specified by the Client in response to the introduction or use of non-Standard Products, including removal or replacement of the non-Standard Product.
9. Use and update the Service Asset and Configuration Management System to determine the potential use of non-standard Equipment and/or Software by an End User and notify the Client.
10. Notify the Client of End Users who will be affected by the elimination of a Standard Product at least twelve (12) months prior to the elimination of a Standard Product from the list.

## **5.3 Service Level Management**

### **5.3.1 Definition**

The Process responsible for setting up Service Level Agreements, and ensuring that these are met. Service Level Management is responsible for ensuring that all Service Management Processes, Operating Level Agreements (OLAs), and Underpinning Contracts (UCs), are appropriate for the agreed Service Level Targets. Service Level Management monitors and reports on Service Levels, and holds regular Client reviews.

### **5.3.2 Scope**

The Supplier shall provide Service Level Management as described in Exhibit 2 (Service Levels).

### **5.3.3 General Considerations**

#### **5.3.3.1 Process Set-Up and Maintenance - Define and negotiate SLA Framework**

The Supplier shall negotiate OLAs/Underpinning Contracts with the Client and other Suppliers to ensure effective collaboration, operation of common Cross-Provider processes as set out in the Agreement(s) and the operation of governance across the integrated Services.

The Supplier shall support the Client in establishing an OLA framework between the Client and the Suppliers to ensure the interdependencies among the Suppliers are transparent and clear and that all Service Levels can be met and shall accept relevant OLAs.

#### **5.3.3.2 Process Set-Up and Maintenance - Develop Service Level Management Process**

The Supplier shall be responsible for developing, implementing and operating a Service Level Management Process and Tools that enable consistent delivery of Service Level Management across its Services in accordance with the Schedule 5.1 (Service Level Methodology) and Exhibit 2 (Service Levels) to the Applicable SOW, in accordance with the requirements defined by the Client.

The Supplier shall collaborate with the Client and other Suppliers to integrate the Service Level Management Process with the other Supplier and Cross-Provider Service Level Management and Service Management Processes and Tools.

The Supplier shall assist the Client to develop and maintain a regular schedule for recurring Service Level Management activities and define triggers for event driven Service Level Management activities, subject to Client review and approval.

#### **5.3.3.3 Tooling**

The Supplier shall, subject to the approval of the Client provide a Service Level Management Tool that enables consistent delivery of Service Level Management reporting in accordance with Schedule 5.1 (Service Level Methodology) and Exhibit 2 (Service Levels) to the Applicable SOW including interfaces to Cross-Provider Service Management. All costs of creating and operating such interfacing are the responsibility of the Supplier.

The Supplier shall assist the Client in:

- a) Gathering service level data from all Suppliers that report Service Level Performance and report against that data,
- b) Populating of the Service Level management tooling with service measurement data, as specified by the Client.

The Supplier shall integrate the Service Level Management Tool with the other Cross-Provider and Supplier Service Management Processes and Tools, as required.

The Supplier shall implement monitoring and reporting of risk indicators of the Service Level Management Process as needed to monitor trends and emerging risks.

#### 5.3.3.4 Reporting

The Supplier shall deliver of operational reports, including Service Level Performance Reports as set out in Exhibit 2 (Service Levels) and Exhibit 4 (Service Reports) of the applicable SOW, and as further specified by the Client.

#### 5.3.4 Collect and collate Service Level data and reports

The Supplier shall ensure on-time delivery of all Supplier Service Level reporting, in accordance to the schedule defined by the Client.

The Supplier shall regularly provide Service Level Management Data, reporting and related Backing Data to the Client as defined in Exhibit 2 (Service Levels) and Exhibit 4 (Service Reports) of the applicable SOW **and** specified by the Client. This will include reporting on progress in any Service Improvement Plan implementation and any required reports for Governance meetings.

The Supplier shall deliver to the Client, Service Level analysis reports in accordance with the agreed requirements and processes set out in **Exhibit 2 (Service Levels) and in Exhibit 4 (Service Reports) of the applicable SOW** and the Service Level audit trail to enable data mining of Service Level data.

#### 5.3.5 Analyse Service Level performance

The Supplier shall provide monthly SLA performance reports (Critical Service Levels, Key Measurements and Critical Milestones) provided. The Supplier shall assist the Client to:

- a) Handle inaccuracies, questions and issues,
- b) Check reported Service Levels (SL) /Knowledge Management (KM) performance against the Service Level Targets,
- c) Perform trend and current performance analysis,
- d) Ensure that agreed collection tools are used as specified in the contracts,
- e) Escalate issues to Governance for attention, discussion with Client and resolution.

The Supplier shall monitor and report to the Client its individual performance against agreed Service Levels and take corrective action when any deviations are observed.

As a member of the Cross-Supplier environment, the Supplier shall execute and maintain Operational Level Agreements (OLAs) and pain share mechanisms with other Suppliers as directed by the Client in order to achieve the Service Levels and shall monitor and manage performance against agreed OLAs and pain share mechanisms.

The Supplier shall support the Client in the completion of Cross-Provider Service Reviews with representatives of the Client and other Suppliers. The Supplier shall escalate to the Client any Service Level Performance issues that it has not been possible to resolve through reasonable endeavors with other Suppliers.

#### 5.3.6 Improve Service Level performance is there a defined methodology for SL performance, or continuous improvement?

The Supplier shall support the Client and other Suppliers in maintaining and gradually improving Business-aligned Service quality through a constant cycle of agreeing, monitoring, reporting and reviewing Service provision and through instigating actions to eradicate unacceptable levels of service within the Supplier's services. The Supplier shall deliver to agreed action plans or improvements to address emerging or current service level performance

issues.

According to the requirements of the Client Satisfaction Process, the Supplier shall assist the Client to analyze Client satisfaction across Supplier and determine required measurements in scope of the overall Service Improvement Plan.

#### **5.3.7 Determining, documenting and agreeing requirements for new services and producing Service Level Requirements (SLRs)**

The Supplier shall assist the Client to determine document and agree requirements for new Services and produce Service Level Requirements (SLRs).

The Supplier shall assist the Client to specify Service Level Requirements, volume parameters, control objectives, Service Levels, reporting requirements, schedule and assurance.

#### **5.3.8 Change Service Level (periodically)**

The Supplier shall deliver to agreed action plans or improvements to address emerging or current service level performance issues, as directed by the Client.

The Supplier shall trigger the Contract Change Process to negotiate Service Level change and effective date of change, as necessary.

The Supplier shall, as required by the Client, implement Service Level change (on effective date of change) and start data collection.

#### **5.3.9 Reset Service Level and earn back (annually) Need to confirm SL methodology**

The Supplier shall review together with the Client Service Level performance, annual reset, performance credits and earn back calculations for prior contract year.

### **5.4 Capacity Management (need to discuss the components of this service)**

#### **5.4.1 Definition**

Capacity Management Process ensures that the capacity of Services and the components are able to deliver agreed Service Level targets in an efficient and effective manner Capacity Management considers all resources required to deliver the service, and plans for short, medium and long term business requirements.

#### **5.4.2 Scope**

The Supplier shall manage and oversee the Capacity Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Capacity Management Process.

The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.



### **5.4.3 General Considerations**

#### **5.4.3.1 Process Set-Up and Maintenance**

The Supplier shall establish and maintain a Capacity Management Process in accordance to the requirements defined by the Client for its Services. The Process shall include annual and regular periodic capture and reporting of Capacity in accordance to the requirements defined by the Client. The process must conform to good practice for Capacity Management, Client requirements and align to the Client Capacity Management solution, as defined and directed by the Client.

The Supplier shall integrate its Capacity Management Process and other Service Management Processes with the Cross-Provider Capacity Management Process, subject to the Client's approval.

The Supplier shall establish and maintain in accordance to the requirements defined by the Client, appropriate modeling techniques and trend analysis to predict the performance of Services under a given volume and variety of work.

#### **5.4.3.2 Tooling**

The Supplier shall, subject to the approval of the Client provide a Capacity Management Information System including interfaces to the Cross-Provider Capacity Management Information System. All costs of creating and operating such interfacing are the responsibility of the Supplier.

The Supplier shall apply Capacity Management Tools, data, reports, and disciplines to Incidents and Problems relating to poor performance as an active member of teams working to resolve such Incidents and Problems, as directed by the Client.

#### **5.4.3.3 Reporting and Forecasting**

The Supplier's responsibilities will include:

1. Produce regular management reports to the Client, including current resource utilization, trends, forecasts, and exceptions, in accordance with Exhibit 2 (Service Reports) of the applicable SOW.
2. Include in the reports information collected by the Supplier related to the performance of other services, such that the Client can identify trends and potential Capacity issues and risks for its Services.
3. Develop, monitor, track and complete remediation action plans to address any Capacity deficiency or surplus in accordance to the requirements defined by the Client.
4. Align Capacity Management outputs with the Service Levels and other performance requirements documented in the Agreement.
5. Assist the Client in forecasting Client's Capacity future requirements and monitor and validate the Capacity forecast against Client's actual utilization for its Service.

### **5.4.4 Business Capacity Management**

The Supplier's responsibilities will include:



1. The Supplier shall participate, as required by the Client, in the Business Capacity Management planning processes, including to address interdependencies between the its Services and the Cross-Provider Services.
2. The Supplier shall support the Client as required in aligning the Capacity Management to the Client's IT Business plan and Long-Range IT Plan. This includes performing an analyses in support of Business planning, IT planning, and Capacity and utilization studies, where such analyses for its Services, at a minimum, shall include:
  - a) Estimates based upon experience and current and historical resource utilization experience,
  - b) Projects,
  - c) Benchmarking,
  - d) Prototype development,
  - e) Analytical modeling,
  - f) Simulation modeling,
  - g) Baseline models,
  - h) Trend analysis.
3. The Supplier shall assist the Client ton review Client's Business strategies, Business plans, and financial plans and validate that Capacity Management requirements for its Services are aligned with those plans part of Client normal Business planning cycle,
4. The Supplier shall utilize new Hardware and Software products in Capacity Management in order to improve the efficiency and effectiveness of the process, as part of the continuous improvement and evolution of the Services.
5. The Client shall ensure that the Capacity Management supports an effective its and the Cross-Provider Demand Management Process, as required by the Client by providing information and analysis regarding the current and future demands and assisting with demand forecasting and influencing demand optimization for its Service.
6. The Supplier shall formally review Capacity requirements for its Services as part of Client's normal business planning cycle, as directed by the Client.
7. The Supplier shall support the Client to analyze the demand forecast and submit recommendations for Capacity Changes for its Service.
8. The Supplier shall work with the Client to maintain a knowledge base of future demand for the Services, and predict the effects of demand on Service Levels.
9. The Supplier shall work with the Client to achieve optimal utilization of Cross-Provider Capacity and Service Capacity by either:
  - a) Providing additional Capacity; or
  - b) Managing demand within Capacity constraints (see Demand Management).
10. Work together with the Client to investigate in new technology applicable to Capacity Management, and incorporate technological development, advances, and evolution into Capacity Management.
11. Assist the Client and the Service Level Management in understanding the Client's capacity and performance requirements, in terms of required service/system

response times, expected throughput, patterns of usage and volume of users for its Service.

12. Verify that there is adequate Capacity to meet the Service Levels.
13. As requested by the Client and in accordance with Exhibit 2 (Service Levels), then provide the Client Service Level targets that have the ability to be monitored and upon which the design of the Services has been based.

#### **5.4.5 Service Capacity Management**

The Supplier's responsibilities will include:

1. Perform Capacity Management for all aspects of the Services and ensure increased Capacity is implemented before Capacity safety limits or Service Levels are breached in accordance to the requirements for Cross-Provider Service Levels.
2. Actively include the Capacity Management in the Change Management process to assess all Changes (incl. relevant parts of Cross-Provider Changes) for their impact on the Capacity of the Services and provide appropriate feedback, including assessing cost impacts, to those submitting Requests for Change.
3. Upon request of the Client estimate the resource and utilization effects of Cross-Provider Changes
4. Validate and verify that planned Changes affect only the expected resource impact.
5. Perform ad hoc performance and Capacity studies as requested by the Client, or as needed to deliver the Services.
6. As required by the Supplier manages the Capacity to meet the demand for the Services and respond to occurrences of insufficient Capacity whenever necessary to facilitate successful performance of the Services.
7. Employ regular monitoring, identification of exceptions, and manual review of reports and trends for Services in accordance to the requirements defined by the Client.
8. Work with the Client to identify and implement proactive measures to improve the performance of Services wherever it is cost-justifiable to do so and meets business needs.
9. Proactive analyze monitoring results to identify areas of the overall configuration that could be tuned, or optimized, to better utilize the Service, system and component resources or improve the performance of the particular Service and provide results to the Client

#### **5.4.6 Component Capacity Management**

The Supplier's responsibilities will include:

1. Monitor Resources and System performance, System utilization, Capacity limits, and expected Capacity needs, and recording that information in the Capacity Management Information System (CMIS).

2. Determine Capacity requirements for all new Systems to determine the necessary computer and Network resources required, and sizing such new Systems, taking into account hardware utilization, requirements for Resilience, performance of Service Levels, and cost (minimizing cost to the Client).
3. Trend current System and resource utilization, and estimate future utilization.
4. Tune Systems to achieve optimal use of all hardware, Network, and Software resources.
5. Estimate applicable resource requirements, including Impact on the Capacity of the Server Environment, Network Environment, End-User Computing Environment, and so forth, as required and where applicable to Supplier's scope of Services.
6. Maintain an understanding of the Capacity and utilization of each of the IT Components that the Supplier manages, including hardware, Software licenses, and voice and data circuits.
7. As necessary to provide optimum resource usage (hardware, Software, circuits, and so forth) in the delivery of the Services, installing hardware and Software monitors, properly configure those monitors, and collecting the resultant data.
8. Prevent Incidents and Problems related to resource utilization from occurring.

#### **5.4.7 Capacity Planning**

The Supplier's responsibilities will include:

1. In accordance with the requirements defined by the Client to create, and maintain 12 month rolling consolidated Service Capacity Plans that reflect the current and future needs of the business, as agreed and documented within SLAs, such that a Cross-Provider Capacity Plan can be produced.
2. Document the current levels of Resource utilization and Service performance, and forecast future requirements to account for Client Business strategies and plans. The plan must clearly document assumptions and include recommendations quantified in terms of Resources required, costs, benefits, Impact, and so forth.
3. Shall include in the Capacity Planning:
  - a) Work schedules and dependencies between elements of the Service,
  - b) Client's Capacity planning recommendations for its Services.

The Supplier shall produce or updating the Capacity Plan in conjunction with Client's Business planning cycle.

The Supplier shall work together with the Client to convert the approved Capacity Plan into Requests for Change and ensuring that any demand / Capacity deficiency or surplus is highlighted and communicated to Client.

On an agreed schedule, or as requested by the Client, the Supplier shall revise the Capacity planning model based on actual performance.

## **5.5 Availability Management**

### **5.5.1 Definition**

The purpose of the Availability Management process is to ensure that the level of Service Availability delivered in all Services is matched to or exceeds current and future agreed needs of the business, in a cost-effective manner.

### **5.5.2 Scope**

The Supplier shall manage and oversee the Availability Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Availability Management Process.

The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

### **5.5.3 General Considerations**

#### **5.5.3.1 Process Set-Up and Maintenance**

The Supplier shall establish and maintain an Availability Management Process in accordance to the requirements defined by the Client for its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Availability Management Process. The Process shall include policies and principle to plan, implement, measure, and manage the Availability and reliability of the Services to confirm that the levels of Availability and reliability consistently meet Client's business requirements and objectives. The Supplier shall produce Availability plans, as agreed with the Client that address Client's Availability and reliability of the Services. The process must conform to good practice for Availability Management, Client requirements and align to the Client Availability solution, as defined and directed by the Client.

The Supplier shall integrate its Availability Management Process, Plan and other Service Management Processes with the Cross-Provider Availability Management Process and Plan subject to the Client's approval.

The Supplier shall have the appropriate level of Monitoring and measurement in place to achieve IT Service Monitoring to support Client's requirements for Availability as defined in the applicable Service Levels

#### **5.5.3.2 Tooling**

The Supplier's responsibilities will include:

1. Subject to the approval of the Client provide an AMIS including interfaces to the Cross-Provider Availability Management Information System. The Supplier shall record and maintain Client's Availability Management data to support key activities, such as report generation, statistical analysis, and Availability forecasting. All costs of creating and operating such interfacing are the responsibility of the Supplier.
2. Provide to the Client via an automated interface data to report and review the AMIS data if the Supplier uses its own AMIS it

3. Update the AMIS in a timely manner in accordance with requirements define by the Client, with the technical specifications of newly acquired Configuration Items (CIs), changed CIs, Service Availability requirements, and any other relevant information.
4. Periodically, and at least twice-yearly, auditing the AMIS contents as required by the Client to ensure the correctness of the data contained therein and provides Audit Report to the Client.
5. Maintain report on, and enable access, as requested by the Client, to the AMIS data related to all Services, where the Supplier is responsible for monitoring and reporting on Availability for IT Services
6. Gather Service Availability and Component Availability data for the entirety of the Supplier's Services and record and maintain this data in the Availability Management Information System (AMIS) and Cross-Provider AMIS.
7. Gather Service Availability and Component Availability data at a level and in a form that enables Supplier and Client to efficiently deliver Service Level reporting to the Client

#### **5.5.3.3 Monitoring, measuring, analysing and reporting**

The Supplier's responsibilities will include:

1. Manage and report on the adherence to the Client's requirements for Availability as defined in the applicable Service Levels to the Client.
2. Deliver the Availability reports as described in Exhibit 2 (Service Reports) of the applicable SOW and Schedule 5.1 (Service Level Methodology) to the Client.
3. Deliver to the Client a monthly consolidated report on all key elements of Availability for its Services. Such report will include current Availability metrics and a 12 month rolling forecast, unless otherwise specified by the Client
4. Analyze and report on all key elements of Availability so that it is clear where there are failing Service Components in the chain of delivery and also where target Availability has been achieved. Such analysis shall include Availability, Reliability, maintainability and serviceability measures to the Client.
5. Produce Availability and Reliability trend analyses as required by the Client.

#### **5.5.4 Planning and designing new or changed services**

The Supplier shall assist the Client in the conversion of Business Requirements into Availability Requirements as required, to determine:

- a) A definition of the Vital Business Functions supported by the Service,
- b) A definition of Service downtime,
- c) The business impact caused by loss of service, together with the associated risk,
- d) Quantitative availability requirements,
- e) The required service hours,
- f) An assessment of the relative importance of different working periods,
- g) Specific security requirements,

h) The service backup and recovery capability.

The Supplier shall formally review Availability requirements for their services as part of Client's normal business planning cycle, as directed by the Client.

The Supplier shall assist the Client and the Service Level Management in understanding the Client's Availability Requirements

As requested by the Client and in accordance with Exhibit 2 (Service Levels) to the applicable SOW, the Supplier shall provide the Client with Service Level targets that have the ability to be monitored and upon which the design of the Services has been based.

The Supplier shall design, in cooperation with the Client, Services for the required levels of Availability, Reliability, Maintainability, Serviceability, Security and Service Levels which also ensure that targets for the Cross-Provider Services are met.

### **5.5.5 Risk assessment and management**

The Supplier shall work together with the Client and conducting a proactive modeling and risk analyses to test and analyze predicted Availability of a Service, including:

- a) Review availability design criteria, if required ,
- b) Component Failure Impact Analysis,
- c) Single Point of Failure,
- d) Fault Tree Analysis,
- e) Service Failure Analysis and so forth.

The Supplier shall provide a Report to the Client.

The Suppliers shall assist the Client to identify, select and adopt of countermeasures justified by the identified risks in terms of their potential impact on services if failure occurs.

### **5.5.6 Implementing cost-justifiable counter-measures**

The Client shall initiate to implement countermeasures for its Services, in cooperation with the Client.

The Supplier shall provide the levels of Availability and Reliability of the Services in compliance with the Service Levels, at optimum cost and ensuring that the introduction of new layers of complexity does not compromise overall Reliability.

The Supplier establishes and maintains, in accordance to the requirements defined by the Client a planned and preventive maintenance strategy and implements the strategy.

### **5.5.7 Reviewing all new and changed services and testing all availability and resilience mechanisms**

The Supplier shall review all Requests for Change for Impact on Availability and ensuring proposed Change meets all reliability, maintainability and serviceability requirements and meets agreed Service Levels and provide results to the Clients

The Supplier shall work with the Client to develop testing scenarios and solution sets appropriate to mitigate risks presented by failure modes.

The Supplier shall conduct fail over testing frequency and provide results to the Client as requested.

### 5.5.8 Investigate unavailability and remedial actions

The Supplier's responsibilities will include:

1. Investigate every instance of below target Availability and recording the reason for and remedial action on the AMIS, as required by the Client
2. Provide early warning or advice to the Client of potential or actual Availability and Reliability issues. The Supplier shall provide additional advice as the potential increases and as the threat becomes more imminent.
3. Proactively identifying Components that are susceptible to Failure, and recommending cost-effective solutions for Client's consideration and possible approval.
4. Initiate the Change Management Process in cooperation with the Client to implement solutions.
5. Assist the Incident Management in identifying ways to shorten the Incident Lifecycle (for example: detection, diagnosis, repair, recovery, restoration) through analysis of key Availability metrics, including MTBF, MTBSI, MTTR, and MTRS.
6. Manage the monthly number of Availability-related Incidents to trend downwards each year of the Term in accordance with the Service Levels and Cross-Provider Service Levels.
7. Produce an Availability Plan in conjunction with the Cross-Provider Availability plan generated by the Client. The Availability Plan shall include a twelve (12) month rolling view of planned Availability and incorporating Client's Availability planning recommendations into the Cross-Provider Availability Plan.

The Availability Plan shall include, at a minimum:

- a) Trends which depict actual levels of Availability versus agreed levels of Availability for key Services. Availability measurements should be Business-focused to enable the Client to report Availability as experienced by the End User,
- b) Activities being progressed to address shortfalls in Availability for existing Services: Where investment decisions are required, options with associated costs and benefits shall be included,
- c) Details of changing Availability requirements for existing Services: The Availability Plan shall document the options available to meet these Changed requirements. Where investment decisions are required, the associated costs of each option shall be included,
- d) Details of the Availability requirements for forthcoming new Services: The Availability Plan shall document the options available to meet these new requirements. Where investment decisions are required, the associated costs of each option shall be included,
- e) A technology futures section to provide an indication of the potential benefits and exploitation opportunities that exist for planned technology upgrades: Anticipated Availability benefits shall be detailed, based on Business-focused measures. The effort required to realize these benefits shall also be quantified.



The Client shall publish the Availability Plan as required by the Client.

The Client shall review Suppliers' performance against the jointly designed Availability plan and recommending remedial actions.

#### **5.5.9 Projected service outage (PSO) document.**

The Supplier shall cooperate with the Client and the Change Management to create and maintain projected service outage (PSO) document and contribute to the Cross-Provider projected service outage document. This document describes any variations from the service availability agreed within Service SLAs.

### **5.6 Business Continuity Management Services**

Business Continuity Management will support the continuity requirements of the Client's business operations by ensuring that the required IT technical and service operations and processes (both Client and Supplier) can be recovered within required and agreed time scales as defined by the Client. The Supplier will provide Supplier Business Continuity Management and Supplier Disaster Recovery Services as described in this Common Exhibit and in accordance with Common Exhibit 3 (Client Policies and Guidelines).

#### **5.6.1 Business Continuity**

Client will retain responsibility for the Client Business Continuity Plan(s) and management activities and will approve the Supplier's activities in support of the Client Business Continuity Plan(s) in advance.

The Supplier responsibilities will include:

1. Perform, update, and manage Supplier Business Impact Assessment of the Client Business Impact Assessment and the Client's functions that are supported by the Services.
2. Update, maintain, manage, test and implement any portion of the Supplier Business Continuity Plan(s) and activities that relate to Services that support the Client's Business functions and the continued provisioning of the Services.
3. Work with Client to ensure that there is the proper linkage between the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s) to make them holistic and integrated.

#### **5.6.2 Supplier Business Continuity Plan(s) and Disaster Recovery Plan(s)**

Client will approve all Supplier Business Continuity Plan(s) and Disaster Recovery Plan(s) and modifications to such plan(s).

The Supplier responsibilities will include:

1. Effectively manage and maintain the Supplier Business Continuity Plan(s) of the Client, as they exist on the Effective Date.
2. Effectively manage and maintain the Supplier Disaster Recovery Plan(s) of the Client, as they exist on the Effective Date.
4. Perform Supplier Business Impact Assessment(s) of Client Business Continuity Plan(s) that exist on the Effective Date, and develop rationale and recommendations to address any perceived gaps.



5. Perform a gap analysis of Client's Disaster Recovery Plan(s) that exist on the Effective Date, and develop rationale and recommendations to address any perceived gaps.
6. To the extent that Client does not have a documented Supplier Business Continuity Plan(s) and supporting Supplier Disaster Recovery Plan(s) encompassing all Services, Supplier will develop and implement both Supplier Continuity Plan(s) and Supplier Disaster Recovery Plan(s), using the Supplier's best practices and standards for companies of similar industry, size, and services as specified in the Agreement. Client will approve any such Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s) developed by Supplier and will provide support in creating the plan.
  - a. The structure of the Supplier Business Impact Assessment is defined in Attachment C to this Common Exhibit 2.2 –Cross Functional Services (ITO).
  - b. The structure of the Supplier Business Continuity Plan(s) is defined in Attachment D to this Common Exhibit 2.2 –Cross Functional Services (ITO).
  - c. The structure of the Supplier Disaster Recovery Plan(s) is defined in Attachment B to this Common Exhibit 2.2 –Cross Functional Services (ITO).
7. Maintain and continually enhance Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s) Plan(s) throughout the Term of the Agreement, including enhancements required as a result of the introduction and use of new technologies (Equipment, Software, Applications and so forth), Resource Units, processes, Business functions, locations, and priorities.
8. Integrate the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s) Plan(s) related to the Services with any company-wide Business Continuity Plan(s) and activities of Client.
9. Provide all necessary cooperation and assistance to enable Client to integrate the Supplier Disaster Recovery Plan(s) related to the Services with the Disaster Recovery Plan(s) of other service providers who deliver services to Client, such that an integrated end-to-end Disaster Recovery Plan can be produced.
10. Document the manner and procedures by which the Supplier will perform backups, provide Supplier Business Continuity and Supplier Disaster Recovery Plan(s) Services, and assist with Client Business Continuity Plans and Supplier Disaster Recovery Plan(s).
11. Document Client's priorities for backups, Disaster Recovery, and Business Continuity based on the priorities established by Client.
12. Document the methods and timeframes that allow Client to change priorities.
13. With Client's input and approval, develop a process that will determine and modify the list of mission-critical Applications on an annual basis.
14. Work with Client to incorporate Security measures, as defined for normal operations, into the Supplier Business Continuity Plan(s) and the Supplier Disaster Recovery Plan(s).
15. Maintain a list of key personnel contacts and notification procedures for Client, the Supplier, and Third-Party Vendor personnel.
16. Comply with Client's definition and procedures for declaring a disaster.
17. Provide Client with Supplier's criteria and procedures for declaring a disaster at Supplier's facilities.
18. Provide a Single Point of Contact (SPOC) for Business Continuity Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s) and Plan(s), related communications and other activities that are the Supplier's responsibility.

### 5.6.3 IT Service Continuity Testing

The Supplier responsibilities will include:

1. Establish joint test objectives with Client designed to verify that Client's Systems will be available within established timeframes.
2. Subject to the availability of a Client-designated test site(s), schedule and test all Components of the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s) at least annually in cooperation with Client, its designees, any testing and recovery providers, and any other Third-Party Vendors providing services to Client.
3. Schedule testing dates with Client's approval, and give Client and its representatives the opportunity to observe and participate in the tests.
4. Assume coordination and administrative responsibility for Third-Party Vendors utilized by Client during testing in accordance with the Supplier Business Continuity Plan(s) and Disaster Recovery Plan(s).
5. Continue to operate and manage the Services during periodic Business Continuity and Disaster Recovery tests.
6. Provide Client with a formal report of the test results within fifteen (15) days of each test. At a minimum, these reports should include:
  - 6.1. The results achieved
  - 6.2. A comparison of the results to the measures and goals identified in the respective Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan.
  - 6.3. A report on the feedback from Authorized Users as to the adequacy of continuity for their respective areas.
  - 6.4. A plan and a schedule to remedy any gaps revealed during testing. , or as agreed to by the Client.
7. Retest within ninety (90) days if any disaster simulation(s) fails to achieve specified results as a result of the Supplier's failure to perform its responsibilities.
8. Update the Supplier Disaster Recovery Plan(s) upon re-testing, and verify that the remedy was successful.

### 5.6.4 Activities During a Disaster

The Supplier responsibilities will include:

1. Report disasters (or potential disasters) to Client immediately upon identification based on parameters defined in the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s), and consult with Client for an official declaration of a disaster as appropriate.
2. For all facilities where the Supplier has oversight responsibility, declare disasters in accordance with procedures existing at the time of declaration and notify Client of situations that may escalate to disasters as soon as practicable.
3. Execute the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s) including:
  - 3.1. Operate the Equipment.
  - 3.2. Restore the Software:
  - 3.3. Verify that data is recovered to the appropriate point in time.

- 3.4. Provide all other functions associated with the Services.
4. In accordance with the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s), determine what resources to deploy.
- 4.1. Conduct, supervise, and administer the operation and implementation of such resources.
5. Assist in the execution of the Client Business Continuity Plans and Supplier Disaster Recovery Plan(s), as requested by the Client.
6. Provide additional resources as necessary to maintain provision of the Services for unaffected areas and re-align technical resources to maintain Business Continuity.
7. In accordance with the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s), assume coordination and administrative responsibility for Third-Party Vendors utilized by Client.
8. Following any disaster, conduct a post-disaster meeting with Client in order to understand the cause of the disaster, restore Services to pre-disaster Service Levels (if necessary), and develop plans to eliminate or mitigate future occurrences.
9. Whether a Supplier Disaster Recovery Plan(s) exists or not, at a minimum, restore the Services within a timeframe that is expected in the industry from large, well-managed outsourcing services companies.

#### **5.6.5 Other IT Service Continuity Activities**

The Supplier's responsibilities will include:

1. Negotiate and manage contracts with Third-Party Vendors providing Supplier Business Continuity and Supplier Disaster Recovery services.
2. At all times, maintain strict compliance with the Supplier Business Continuity and Supplier Disaster Recovery policies, standards, and procedures contained in Client's Business Continuity Plan(s).
3. Train Supplier, Client personnel, and Third-Party Vendors in Supplier Business Continuity and Supplier Disaster Recovery procedures, and implement a process to obtain immediate access to such procedures in a disaster situation.
4. For Server Services, provide and maintain backups; file recovery capabilities; and historical files of data and Software (including source code) utilized to process data. Additional responsibilities will include the following:
  - 4.1. Adhere to the time periods specified for backups and recovery by Client in the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s).
  - 4.2. Use magnetic media or other media approved by Client and accessible to Client.
5. Provide at a minimum weekly pickup and delivery to the off-site storage facility.
- 5.1. Perform such functions in accordance with standards and procedures in the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s) and be no less stringent than the standards and procedures used at well-managed companies that provide similar backup and recovery features for similar services.
- 5.2. Support connectivity to Client's mission-critical production network and the production host Systems, as required by the Supplier Business Continuity Plan(s) and Disaster Recovery Plan(s).

- 5.3. Provide design and other consulting support for networking requirements at the contingency site, including such support for local connectivity to required servers and printers.
- 5.4. Support connectivity from the contingency site to all external suppliers, Third-Party Vendors, and other organizations, as required by the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s).Plan(s).
6. Provide support, as requested by the Client, in the Client Business Impact Assessment processes and in the Client Business Continuity Plan development processes.
7. Provide support, as requested by the Client, during Client business continuity or disaster recovery incidents.

## **5.7 Security Management**

### **5.7.1 Definition**

Security Management is the process that ensures the confidentiality, integrity and availability of an organization's assets, information, data and Services. Security Management is usually part of a broader organizational approach to Security Management for the entire Organization which reaches beyond IT Service Delivery.

### **5.7.2 Scope**

The Supplier shall manage and oversee the Security Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Security Management Process.

The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

### **5.7.3 General Considerations**

#### **5.7.3.1 Process Set-Up and Maintenance**

The Supplier's responsibilities will include:

1. Establish and maintain a Security Management Process, policies and procedures including physical and logical Security Administration Processes) in accordance to the requirements defined by the Client for its Services, to ensure that the Services meet all applicable Security requirements, including Client and Supplier Information Security Policies, contractual requirements, legislative and statutory requirements, and performance as expressed in Schedule 5.1 (Service Level Methodology) and Exhibit 2 (Service Levels) to the applicable SOW and collaborate with the Client and other Suppliers to manage the Cross-Provider Security Management Process. The process must conform to good practice for Security Management, Client requirements and align to the Client Security Management solution, as defined and directed by the Client.
2. Describe the process, personnel, and tools it will use to meet the Safety and Security requirements contained in this Common Exhibit 2.2 and related Attachments. The Supplier shall also provide information regarding its views on "best practices" with respect to these processes; including suggestions on

changes (if any) that the Supplier believes should be made to the current processes. The Supplier should not assume that the Client or the Client will accept the suggestions or modify its approach accordingly.

3. Comply with all applicable Security requirements, including the Client's Information Security Policy, contractual requirements, legislative and statutory requirements, and including those specifically defined in and mitigate all associated security risks for which Supplier is non-compliant.
4. Integrate its Security Management Process and other Service Management Processes with the Cross-Provider Security Management Process, subject to the Client's approval.
5. Establish and maintain controls and processes to ensure compliance, in accordance with the requirements defined by the Client with all relevant national security standards for the processing, storage and transmission of classified information, and ensuring that the Client is able to validate that such standards are being maintained upon request by the Client.
6. Establishing and operating procedures, in accordance with the requirements defined by the Client to monitor and control remote data communication access to the Client Infrastructure, Software, Equipment, and all other data.
7. Establish and maintain, in accordance to the Process Requirements defined by the Client, a Security Incident Management Process.
8. Establish and maintain a Solution in accordance to the requirements defined by the Client, which meet all Clients' virus protection requirements in accordance with the Client Information Security Policies, Standards and procedures.
9. Establish and maintain a Solution in accordance to the requirements defined by the Client that meet all Clients' Malware protection requirements in accordance with Client Information Security Policies, Standards and procedures.
10. Establish and maintain an Intrusion Detection Solutions in accordance to the requirements defined by the Client, which meet all Client Intrusion Detection requirements in accordance with the Client Information Security Policies, Standards and procedures.
11. Provide such assistance as the Client require from time to time in the development and utilization of an action plan and escalation procedures for any potential or real security breaches and reporting any potential or real security breaches to the Client in accordance with the plan or otherwise immediately upon becoming aware of such potential or actual breaches.
12. Work cooperatively with the Client to change Security processes, procedures and Systems in responses to evolving requirements and evolving technology.

### **5.7.3.2 Tooling**

The Supplier's responsibilities will include:

1. Subject to the approval of the Client provide an ISMS including interfaces to the Cross-Provider IMS to maintain the policies, processes, standards, guidelines and tools to support Client in achieving its Information Security Management objectives which shall include updating the ISMS in a timely manner based on Changes to the technical environment.. All costs of creating and operating such interfacing are the responsibility of the Supplier.

2. Integrate the ISMS with the other Cross-Provider and provider Service Management Processes and Tools. The Supplier shall maintain a real time data flow and visibility with bi-directional Interfaces
3. Assist the Client to audit the ISMS contents to ensure the correctness of the data contained therein.
4. Provision of web design and support expertise to the Client on a dedicated basis to ensure that the Client security services web site is an up to date repository for security policy and guidance information for Client and its Suppliers. This resource shall work directly with the Client security services team as required by the Client.
5. Subject to approval by the Client, install, update and maintain Software that will provide security monitoring, alarming, and access tracking functionality for Supplier Systems, Client Infrastructure and Software. The Supplier shall implement and maintain Interfaces to the Cross-Provider Event Management System as required.

#### **5.7.3.3 People**

The Supplier shall ensure that all Supplier Personnel providing information to, or supporting the management of Security shall be adequately trained, suitably qualified and have had background checks performed as required Client's policies. The nominated individual must be approved by the Client in advance and the Nominees shall consist of permanent employees located in geographies acceptable to the Client.

The Supplier shall ensure that the Supplier Personnel have been vetted in compliance with Client's policies regarding background checks prior to access to the Client's systems, sites and data.

#### **5.7.3.4 Reporting**

The Supplier shall provide to the Client a compliance and Security Management service performance plan and reports for all IT service security requirements to meet the Client informational reporting requirements and Service Levels in a regular and timely manner (Exhibit 2 (Service Levels), reports are specified in Exhibit 4 (Service Reports) of the applicable SOW ). The Supplier shall provide other ad-hoc security reporting requested by the Client.

The Supplier shall assist the Client in the definition of security requirements policies based upon Business needs and the Client's Information Security Policy.

The Supplier shall develop (and subsequently maintain, update and implement) all security procedures and controls required in connection with the performance of the Services with review and approval by the Client, including physical access strategies and standards.

The Supplier shall provide informed advice on security policy, standards (including national security, international, Client and industry standards), practices, solutions and technologies, and threats;

#### **5.7.4 Communicate, implement and enforce the security policies**

The Supplier shall establish and maintain Operating Level Agreements and Security Management Processes, procedures and controls with other Suppliers, the Service Desk and the Service Integration Provider to address interdependencies, use of tools and workflows required to operate integrated Security Management across the Services, in accordance with the requirements defined by the Client.

The Supplier shall implement and provide ongoing assurance to the Client on compliance with Security policies and standards as specified by the Client.

The Supplier shall establish and maintain, in accordance to the requirements defined by the Client a set of automated and manual processes designed to enforce compliance with the Client data access and security policies.

The Supplier shall assist the Client in providing trainings and awareness Sessions

#### **5.7.5 Assess and classify of all information assets and documentation**

The Suppliers shall in accordance with the Requirements defines by the Client complete data classifications and registrations.

#### **5.7.6 Revise and improve a set of security controls and risk assessment and responses**

The Supplier define and escalate security management improvement opportunities, issues, risks, events or any other pertinent security matter identified to the Client.

The Supplier shall perform Risk Management in cooperation with the Client including:

- a) The Supplier shall produce an action plans that will address any identified Security gaps in relation to Client IT Security policy or industry best practice
- b) The Supplier shall be required to attend a regular IT Security Risk Management board as defined in Schedule 9.1 (Governance).

#### **5.7.7 Monitor and manage all security breaches and major security incidents**

The Supplier's responsibilities will include:

1. Resolve Security Incidents or emerging security requirements (which may arise as a result of changing security standards, threats or industry practices) under direction from the Client.
2. Manage the security clearance and access control processes to administration tools and environments used to support its Service as directed by the Client.
3. Provide data from monitoring controls and processes relating to emerging threats and known risks and provide reports to the Supplier that highlights emerging threats and the status of known risks.
4. Monitor the access to the Supplier Systems, Client Infrastructure and/or Client Data, and monitoring, investigating and responding in a timely and appropriate manner to attempt or actual access violations in accordance with the Security Policies and Procedures and in accordance to the requirements defined by the Client.
5. Log and review important security events such as incorrect login activity, unauthorized access attempts and privileged user activity on the system within the limitations of the operating system. It shall review associated log files on a documented hierarchy of needs basis in line with baseline accreditation requirements, automated where technically feasible, otherwise on a sampling basis as agreed with the Client. Any suspicious activity must be reported to the Client and any applicable Site security manager or Client security.



6. Perform in a timely manner all necessary backup and recovery procedures in response to all security violations that result in lost/damaged information.

#### **5.7.8 Analyse, report and reduce the volumes and impact of security breaches and incidents**

The Supplier shall provide a security incident investigation support in accordance with the Security Policies and Procedures or otherwise as required by the Client and initiating corrective actions to prevent and/or minimize security breaches.

The Supplier shall define and implement measures to avoid unnecessary reoccurrence of Security Incidents. This includes initiating the Problem Management and Change Management Procedure to remediate faults in the Services as directed by the Client.

The Supplier shall ensure the reduction of Security Incidents over time and improvements of the Security Incident resolution time by:

- a) Collating Incident information regarding suggested improvements to the Services,
- b) Develop an action plan on a quarterly basis to address suggested improvements,
- c) Review the action plan and implement action as approved by the Client,
- d) Monitoring and report the progress and improvements made and report on the percentage of actions completed within the target completion date to the Client.

#### **5.7.9 Schedule and complete security reviews, audits and penetration tests.**

The Supplier shall perform assurance and evaluation activities including:

- a) Performing security audits and supporting security audits as required by the Client on an ongoing basis, to check the adequacy of the procedures and compliance with such procedures and assurance over key security control, to check the effectiveness of the security procedures and controls, and compliance with regulations. The Supplier shall initiate corrective actions in respect of any potential or actual security issues or non-compliance with the procedures. A monthly audit status report will be produced by the Supplier to detail ongoing work and actions identified and completed.
- b) Performing in cooperation with the Client, evaluations of procurement security compliance, security incidents and validation of test strategies,
- c) Performing annual self-certification as required by the Client against security policy and data protection regulations,
- d) Tracking, expediting and reporting to the Client upon actions raised against plans, reports and self-assurance statements,
- e) Conducting regular monthly assurance reviews to determine that all staff allocated to the Clients' services has up-to-date security clearance and reporting any non-compliance to the Client.

The Supplier shall support the performance of security audits by the Client and any external/regulatory authority.

The Supplier shall review with the Client all security procedures documented internally within the Supplier's organization pertaining to the Suppliers Systems to ensure alignment with the Security Policies and Procedures.

The Supplier shall provide such assistance as the Client or its authorized representatives require from time to time in relation to the performance by the Client or its authorized representatives of security tests.



### **5.7.10 Physical Security Administration**

The Supplier shall provide physical Security administration in accordance to the requirements defined by the Client, which will include authorized access control. The Supplier's responsibilities shall include:

- a) Communicating the physical Security management processes to the Supplier staff,
- b) Ensuring compliance with its physical Security responsibilities, including in particular, provide that proper segregation of duties exists, where appropriate, including where processes span the Suppliers. If it is not feasible to observe a proper segregation of duties during the implementation of Changes or management of crises, immediately inform the Service Integration of this fact, and keep a record of all actions performed,
- c) Discussing such record with the Service Integration Provider within two days after the [beginning or end] of the Change or crisis,
- d) Informing the Client immediately if Supplier becomes aware of any vulnerability or weakness in the Services or any Security breach, and recommend a possible solution or mitigation.

### **5.7.11 Security at Client Company Sites**

Where the Supplier uses or visits locations and facilities at the Client Sites, the Supplier's responsibilities shall include:

- a) Ensuring compliance with all Client Security and safety policies, standards and procedures, as they may be revised or updated,
- b) Recommending supplemental physical Security standards to increase the overall level of Security as necessary in the locations and facilities used by the Supplier, and implement such supplemental standards when requested by the Client,
- c) Recommending that such supplemental provisions to be consistent with similar Security provisions maintained by large, well-managed sourcing services companies, and implement such supplemental provisions when requested by the Service Integration Provider.
- d) Obtaining the permission of the Client prior to implementing any supplemental physical Security provisions at the Client sites.
- e) Comply with the Client policies, including Information Security Policy, Occupational Health and Safety (OHS), data and records management, and electronic records and data archiving.

### **5.7.12 Security at other Locations**

Where the Supplier uses other locations and facilities to support the provision of Services to the Client, the Supplier's responsibilities will include:

- a) Upon request, provide the Client, the Client, its representative(s), and/or regulatory agencies access to all facilities and Assets used in providing the Services for audits, investigations, and compliance reviews,
- b) Perform all physical Security functions (for example, identification badge controls, and alarm responses) at facilities under the Supplier's control.

### 5.7.13 Virus Protection

For all Equipment and Software the Supplier shall deliver virus protection, in accordance to the requirements defined by the Client including:

- a) Implementing, operating and maintaining approved solutions by the Client that meet all Client's virus protection requirements in accordance with Client Information Security Policies, Standards and procedures,
- b) Installing, updating, operating and maintaining virus protection Software on all Equipment used to deliver or support the Services. Providing anti-virus capability in line with the European Institute for Computer Antivirus Research (EICAR) standards,
- c) Implementing controls to ensure that Users cannot disable or remove any anti-virus capability,
- d) Providing interfaces to interact with relevant security groups in regards to security incident handling (e.g. CERT, ISSO) including: Security breaches within the Supplier 's organization with possible impact on the Client,
- e) and identification of security breaches within the Client's environment
- f) Implementing as required by the Client all virus protection requirements in accordance with Client security policies and for procedures (including as set out in the Safety and Security Policies and Procedures Controlled Document) as may be amended from time to time.

### 5.7.14 End-Point Protection Malware Protection

The Supplier's responsibilities will include:

1. The Supplier shall develop any plans necessary to provide Malware protection, in accordance to the requirements defined by the Client including:
  - a) Installing, updating, operating, and maintaining Malware protection Software on all Equipment used to deliver or support the Services,
  - b) Maintaining subscription to the anti-Malware Software support in order to proactively receive Malware engine and pattern updates,
  - c) Installing updates to Malware-protection Software as needed or as directed by the Client, according to the Service Levels defined in Exhibit 2 (Service Levels) to the applicable SOW, no later than twenty-four (24) hours after such updates are made available to the Supplier (or qualified Third Parties selected by the Supplier) and approved by the Client or Client,
  - d) Performing Malware scans on all e-mails.
2. Upon detection of a Malware program or Incident, the Supplier shall take immediate steps to notify the Service Desk, including:
  - a) Assessing the scope of damage,
  - b) Arresting the spread and progressive damage from the Malware,
  - c) Eradicating the Malware.
  - d) Restoring all data and Software to its original state (to the greatest extent possible).

3. Provide the capability to scan diskettes or hard drives or other temporary storage devices (such as USB memory sticks, PCMCIA flashcards, FireWire hard drives, and so forth), for Malware upon demand.
4. Provide proactive Alerts to Authorized Users relative to current Malware threats either specific to Client environment, encountered in the Supplier's environment, or based on industry information.
5. Provide additional temporary resources in the event of a major computer Malware outbreak so 'Clients performance does not degrade because of an unavailability of Supplier resources.
6. Provide regular reports as required by the Client that contain a summary of the number of Malware programs detected and cleaned, as well as a list of Malware programs caught.

#### **5.7.15 Intrusion Detection Protection/Prevention**

The Supplier's responsibilities will include:

1. The Supplier shall install, update and configure Network Intrusion Detection Systems (NIDS) sensors, and Network Intrusion Prevention Systems (NIPS) sensors to inspect all inbound and outbound network activity:
  - a) Identify suspicious patterns that may indicate abnormal activity or intrusion attempts,
  - b) Send Alerts to the Cross-Provider Event Monitoring facility.
2. Monitor all NIDS/NIPS devices from the central logging System, and provide appropriate response to Alerts based upon mutually agreed procedures as defined in the Service Management & Governance Manual.
3. Review NIPS Systems logs and provide appropriate response to messages including, but not limited to, Alerts and access denial messages based upon mutually agreed procedures as defined in the Service Management & Governance Manual.
4. As needed or as directed by the Client, install known high-risk updates as defined by NIDS and NIPS Software manufacturer to IDS-protection Software as these as they are approved. Install within 24 hours after such updates are made available to Supplier and approved by the Client.
5. Upon detection of an intrusion Alert, take immediate steps to notify the Service Desk:
  - a) Assess the scope of damage,
  - b) Arrest the spread and progressive damage from the intrusion,
  - c) Restore the environment to an operational state,
  - d) In the event of corruption or data loss, restore data from the last available backup.
6. Provide Alerts to the Client relative to current intrusion threats either specific to Client's Environment, encountered in the Supplier' Environment, or based upon industry information.

7. Provide additional temporary resources in the event of a major intrusion Incident (such as denial of service) to restore to the normal state.
8. Upgrade and change the Intrusion Detection/Prevention Systems as required by Third-Party Vendors or as agreed in Attachment K to Exhibit 1 (Technical Architecture) of the ADM SOW and Product Standards.
9. The Supplier shall evaluate technology improvements for Intrusion Detection Protection/Prevention and bring forth those improvements to the Client for consideration.

## **5.8 Architecture & Standards Management**

### **5.8.1 Definition**

The Process Architecture and Standards Management (A&S) includes the management of architecture & standards, overseeing compliance with defined standards and guidelines and granting or denying exceptions where necessary.

### **5.8.2 Scope**

The Supplier shall manage and oversee the Cross-Provider Architecture & Standards Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Architecture & Standards Management Process.

The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

### **5.8.3 General Considerations**

#### **5.8.3.1 Process Set-Up and Maintenance**

The Supplier shall establish and maintain an Architecture & Standards Management Process, policies and procedures in accordance to the requirements defined by the Client for its Services. The process must conform to good practice for Architecture & Standards Management, Client requirements and align to the Client Architecture and Standards Management solution, as defined and directed by the Client.

The Supplier shall integrate its Architecture & Standards Management Process and other Service Management Processes with the Cross-Provider Architecture & Standards Management Process, subject to the Client's approval.

The Supplier shall apply standards, procedures and regulations as defined in Attachment K to Exhibit 1 (Technical Architecture) of the ADM SOW and Product Standards to its Services.

The Supplier shall contribute to the strategic IT infrastructure architecture and standards within the scope of Service Integration (e.g. provide latest IT expertise, contribute to the corporate IT architecture framework and roadmap, etc.), as required by the Client.

#### **5.8.3.2 Reporting**

The Supplier shall produce monthly non-compliance reports to send to the Client.

The Supplier shall implement the remediation actions as defined by the Client.

#### **5.8.4 Identify obligations of parties in the Agreement**

The Supplier shall assist the Client to review Agreements in scope and identify Architecture and Standards Management responsibilities which includes developing and maintaining a Roles and Responsibility matrix to identify which Supplier or Client owns specific areas.

The Supplier shall review the matrix with the Client and assist in resolving responsibilities conflicts with as necessary.

#### **5.8.5 Identify and document affected areas**

The Supplier shall assist the Client to identify components of the relationship affected by Architecture and Standards Management and develop position for areas not covered and notify Suppliers as required.

Supplier shall assist the Client to document and publish affected areas.

#### **5.8.6 Determination and notice of changes to A & S**

The Supplier shall conduct A&S Governance Meetings as defined in Schedule 9.1 (Governance) Model and related Attachments.

The Supplier shall support the Client to assess potential changes to the Architecture and Standards and maintaining Architecture Standards requirements and allowable exceptions;

The Supplier shall initiate required activities as directed by the Client.

#### **5.8.7 Identify and implement validation strategies**

The Supplier shall attend validation events as required by the Client.

#### **5.8.8 Periodic review of compliance to A & S**

The Supplier shall cooperate with the Client to select areas for compliance audit and conduct regularly audits or review for compliance including:

- a) Meeting with Client to understand variances,
- b) Attempting to resolve with Client, involving **Governance Issue Management & Dispute Resolution** as needed,
- c) Documenting allowable variance and updated contract as needed,
- d) Issuing request for exception to the Client.

The Supplier shall ensure compliance with technical Architecture and standards and regulations and Client IT Control Framework including verification that all Changes comply with Architecture and standards, in accordance to the requirements defined by the Client.

The Supplier shall inform the Client immediately of any non-compliance which impacts regulatory compliance or Security.

The Supplier shall implement remediation actions as defined by the Client.

The Supplier shall assist the Client to maintain a repository of non-compliant Architecture standards.

#### **5.8.9 Review compliance for purchasing**

The Supplier shall assist the Client to assess requests for exceptions.

#### **5.8.10 Review compliance for New Work or Projects**

The Supplier shall assist the Client to review and evaluate new work or projects for A & S compliance.

#### **5.8.11 Review of exception requests to A & S**

The Supplier shall assist the Client to review and evaluate exception requests.

### **6.0 SERVICE TRANSITION**

The purpose of the Service Transition phase of the Service Management Lifecycle is to:

- a) Plan and coordinate resources to ensure that the requirements of Service Strategy encoded in Service Design are effectively realized in Service Operation.
- b) Identify, manage and control the risks of failure and disruption across Service Transition activities.

The Service Transition processes are:

- a) Service Transition Planning and Support,
- b) Change Management,
- c) Service Asset and Configuration Management,
- d) Release and Deployment,
- e) Service Validation and Testing,
- f) Change Evaluation,
- g) Knowledge Management.

#### **6.1 Service Transition Planning and Support**

##### **6.1.1 Definition**

The objective of Service Transition Planning and Support is to plan and coordinate the resources to move a new or changed Service into the Production Environment within the predicted cost, quality and time estimates and to ensure that issues and risks are managed.

##### **6.1.2 Scope**

The Supplier shall manage and oversee the Transition Planning and Support Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Transition Planning and Support Process.

The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

This Service is not part of the Base Charges in Exhibit 3 (Pricing) to the applicable SOW and will be handled via the Change Management Process.

### **6.1.3 General Considerations**

#### **6.1.3.1 Process Set-Up and Maintenance**

The Supplier shall establish and maintain a Transition Planning and Support Process for its Services in accordance to the requirements defined by the Client. The process must conform to good practice for Transition Planning and Support, Client requirements and align to the Client Transition Planning and Support solution, as defined and directed by the Client.

The Supplier shall integrate its Transition Planning and Support Process and other Service Management Processes with the Cross-Provider Transition Planning and Support Process, subject to the Client's approval.

The Supplier shall establish and maintain a Transition Framework and Policy in accordance with the requirements specified by the Client.

The Supplier shall establish and maintain in accordance with requirements specified by the Client, an operational processes that deliver the Service Transfer requirements such to deliver Service Transfer services in a coordinated manner

The Supplier shall establish and maintain an operational readiness framework, in accordance to the requirements specified by the Client, for use during System Development Projects and Major Enhancement Projects and during Acceptance for production.

The Supplier shall keep a detailed audit trail of each Service Transfer and provide data and reports to enable analysis of Service Transfer performance and continual improvement of the Service Transfer services and provide the Client access to the audit trail.

#### **6.1.4 Define Transition strategy**

The Supplier shall support Client, and any Supplier nominated by Client, in the creation, maintenance and execution of the Service Transition and Cross-Provider strategy encapsulated in Service Transition framework, while ensuring compliance with policies, standards and agreed processes.

The Supplier shall, in accordance Client requirements, establish and maintain Service Transition models which will form the basis for each Service Transition.

#### **6.1.5 Define Service transition lifecycle stages**

The Supplier shall support the Client to define the lifecycle stages for the Service Transition, and the move from one stage to the next should be subject to formal checks. Typical stages in the life of a transition shall include, but are not limited to:

- a) Acquire and test new configuration items (CIs) and components,
- b) Build and test,
- c) Service release test,
- d) Service operational readiness test,
- e) Deployment,
- f) Early life support,
- g) Review and close service transition.



#### **6.1.6 Prepare for service transition**

The Supplier's responsibilities will include:

1. Work with the Service Designers, in conjunction with the Client to provide advice and assistance in understanding the Service Transition process and in completing the relevant documentation, such as the Service Design Package.
2. Where responsible, develop and complete (including signing off) all elements of the Service Design Package relating to the planning, designing, building, testing, releasing and supporting (including Early Life Support) the new or changed Service to the required timescale and as required by Client Quality Assurance gates and in accordance with the requirements defined by the Client.
3. Provide Reports as required by the Client
4. Review the Service Design Package for completeness and comprehension of planning, design and build sections as they relate to the Services delivered and following up with the Service Design process owners with any questions in cooperation with the Client.
5. Assist and provide support to the relevant stakeholders and Client in developing and completing (including signing off) all elements of the Service Design Package relating to the planning, design, build, test, release and support (including Early Life Support) of the new or changed Service to the required timescale and as required by the Client's Quality Assurance gates.
6. Set-up Service Transfer services that comply with the transfer requirements and that they can form an integral part of the Service Transfer services, as required by the Client.
7. Review and acceptance of inputs from the other service lifecycle stages for checking Transition Readiness, as required by the Client including:
  - a) Reviewing and checking the input deliverables, e.g. change proposal, SDP, service acceptance criteria and evaluation report,
  - b) Identifying, raising and scheduling requests for Change (RFCs),
  - c) Checking that the configuration baselines are recorded in the configuration management system (CMS) before the start of service transition.

#### **6.1.7 Plan and coordinate service transition**

The Supplier's responsibilities will include:

1. In collaboration with System Designers, other Suppliers and as required by the Client, develop Service Transition Plans that describe the tasks and activities to roll out a Release in Development, Test and Live Environments and that includes resource allocation and risk/issue management. The Service Transition Plan is subject to approval by the System Integrator.
2. Ensure IT Service Continuity plans are present for transferring Services and that they conform to Clients standards IT Service Continuity,
3. Work with the Client to define the Service Transfer Responsibilities and Deliverables matrix, subject to Client approval.
4. Develop Service Transition plans which integrate in a Cross-Provider Service Transition Plan with other Supplier implementing the Service Design Package that describes the tasks and activities to roll out a Release in Development, Test



and Live Environments and that includes resource allocation and risk/issue management, subject to approval by the Client.

#### **6.1.8 Provide transition process support**

The Supplier's responsibilities will include

1. In cooperation with the Client implement the Service Transition Projects in accordance to plan with applicable service transition standards, policies and procedures including:
  - a) Managing service transition changes and work order,
  - b) Managing issues, risks, deviations and waiver,
  - c) Managing support for tools and service transition processes,
  - d) Monitoring the service transition performance to provide input into continual service improvement.
2. Report Changes that affect the agreed baseline configuration items are controlled through change management.
3. Execute in cooperation with the Client where required, the operational readiness process for each Project requiring transfer from development through to production and operational support where such process will involve all Suppliers that will deliver, support and maintain the Services.
4. Support the Client with communications throughout the service transition for Services in Scope.
5. Monitor and report Service Transition Activities against the intentions set out in the transition model and plan. The Supplier will provide regular status as required to the Client.

### **6.2 Change Management**

#### **6.2.1 Definition**

The goal of Change Management is to enable beneficial changes to be made with minimal disruption to the Services. Change Management ensures that Changes are deployed in a controlled way, such that they are evaluated, prioritized, planned, tested, implemented and documented.

#### **6.2.2 Scope**

The Supplier shall manage and oversee the Change Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Change Management Process. The Supplier shall ensure that the Provider Change Management Process achieves a set of clearly defined objectives including:

- a) Efficient implementation of Changes,
- b) Clear accountability for implementation of Changes and approvals,
- c) Appropriate risk assessment and mitigation,
- d) Minimization of business disruption,
- e) Effective coordination and communication,
- f) Review the action plan for Service Integration's approval,

- g) Reporting on progress and improvements made and on the percentage of actions completed within the target completion date.

The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

### **6.2.3 General Considerations**

#### **6.2.3.1 Process Set-Up and Maintenance**

The Supplier's responsibilities will include:

1. Establish and maintain a Change Management in accordance to the requirements defined by the Client for its Services. The Process shall including Change Advisory Boards for its Service and participating in the Cross-Provider Change Advisory Boards managed by the Client, in a way that minimizes risk exposure and maximizes availability of services. The process must conform to good practice for Change Management Process, Client requirements and align to the Client Change Management solution, as defined and directed by the Client.
2. Integrate its Change Management Process and other Service Management Processes with the Cross-Provider Change Management, subject to the Client's approval.
3. Allow the Client, at any time at its discretion, to specify "freeze" periods during which the Supplier shall not make any Changes.
4. Manage its CAB and collaborate as required by the Client in the operation of the Cross Provider CAB by providing input including:
  - a) Evaluations of Change Impact,
  - b) Recommendations for approval or otherwise; an
  - c) Recommending an implementation plan,
  - d) Recommending appropriate participation based on Request for Change.
5. Document its CAB meeting in accordance to standards defined by the Change Management Policies.
6. Support the Client in developing and implementing a Change Authorization Matrix. Such Change Authorization Matrix shall be documented in the Process and Procedure Manual as described in Schedule 9.1 (Governance).
7. Review and approve Changes according to the Change Authorization Matrix.
8. Establish and maintain Change Models as directed by the Client.
9. Provide the Client and Client with the ability to pre-approve certain types of routine Changes ("Standard Changes"). Such approvals shall be documented in the Process and Procedure Manual as described Schedule 9.1 (Governance).
10. Retains overall responsibility for all Changes allocated to the Supplier until the Change is closed, subject to CAB and Client approval.
11. Maintain clear ownership for individual components of Changes throughout the Change Process, as specified by the Client.
12. Establish and maintain Change Allocation Rules, in accordance with the requirements defined by the Client.

13. Establish and maintain, in accordance with the requirements defined by the Client and Client, Criteria for Prioritization and Escalation of Changes, in accordance with the Priority Levels set out in Attachment J to Exhibit 1 (Priority Levels) of the ADM SOW.
14. Establish and maintain a process and mechanism for expedited handling of Major and high prioritized Changes (Emergency Changes) based on the assigned Priority Level, as per escalation processes described in the Process and Procedures Manual, subject to Client approval.
15. Facilitate the Requirements for New Services shall be handled through the Change Management process, and the Supplier shall work with the Client, Client and the other Suppliers to assess the Impact of these requirements on Client's operating Environment
16. Deliver proposals for enhancements to Services or for New Services when requested by the Client. Where it is not the sole provider, it shall work with other Suppliers and the Client to deliver such proposals, where the Supplier is solely responsible for all elements of the Service.

### **6.2.3.2 Tooling**

The Supplier's responsibilities will include:

1. Subject to the approval of the Client provide an automated Change Management Tool including interfaces to the Cross-Provider Change Management Tool. In addition, the Change Management Tool shall support the data exchange of ticketing to the Client and, where appropriate, ticketing data to other Suppliers to establish and allocate end-to-end responsibility and ownership of each Change to a Supplier.  
All costs of creating and operating such interfacing are the responsibility of the Supplier.
2. If the Supplier uses its own Change Management Tool, the requirements of the Client at least include:
  - a) Providing a sophisticated set to automate the process of scheduling, describing, tracking, and reporting on Changes to its Services. Such automation will also provide for integration and linkage to other Systems that need to be updated as a result of Changes, such as Asset Registers, CMS/CMDB, Problem Management System, Incident Management System, and so forth,
  - b) Providing a Request for Change (RFC) database for recording, communicating and tracking Changes. Such tooling must integrate with the other Tools identified by the Client IT Service Management tooling strategy,
  - c) Integrating the Supplier Change Management tools to the CMS/CMDB and other areas of Provider and Cross-Provider Service Management tools as required to further improve efficiency or effectiveness,
3. Providing functionality to manage information for each Change submitted to, and originating from.
4. Integrate its Change Management Tool with other Provider and Cross-Provider Service Management Processes and Tool.
5. Maintain a real time data flow and visibility with bi-directional ticketing.

6. Implement monitoring and reporting of risk indicators as needed to monitor trends and emerging risks arising from Changes, or as defined and directed by the Client, and to be able to record all information on the details of the Changes and the corrective action for later statistical analysis as part of the Change Management Process.

#### **6.2.3.3 Communications**

The Supplier shall provide, as directed by the Client, necessary information from the time a Change is recorded through to the closure, also providing any follow-up communications and report work required post-resolution to the Client and to other Parties.

#### **6.2.3.4 Reporting**

The Supplier shall provide status update reports and summary reports at the frequency and in a format agreed with Client as described in Exhibit 4 (Service Reports) of the applicable SOW, and as a dashboard for service management meetings.

The Supplier shall summarize the Changes made **each week**, and reporting the information to Client **on a weekly basis**.

#### **6.2.4 Create and record the Request for Change (RFC)**

The Supplier's responsibilities will include:

1. Manage the effective entry of Change Records into the Change Management Tool including the correlation of associated Incidents, Problems and Known Errors.
2. Raise and submit proposed Changes in advance to the Client for assessment using the agreed Request for Change process and templates. At a minimum, each submitted proposed Change Request shall include:
  - a) Description of the Change and its impact on Infrastructure, Configuration Items, Services, processes etc.,
  - b) The purpose and justification for the Change,
  - c) A list of Service(s), geographical regions, End User(s), other Suppliers potentially affected by the Change,
  - d) The proposed Change Schedule, including implementation date(s) and approximate time(s) for determination of any existing conflict with Business events,
  - e) The proposed implementation procedures,
  - f) A rating and description of the potential risk, Business Impact, and/or complexity of the Change,
  - g) The Resources required executing the Change.
  - h) Where a proposed Change represents a potentially high risk or high Impact to Client's operations or Business, or at the request of the Client including: A comprehensive end-to-end test plan, including clear Change Acceptance Criteria, notification and escalation lists, communication plan, and Workaround plans as well as comprehensive contingency plan, including back-out plans and procedures (with specific criteria to initiate the execution of the back-out plans). The plan will detail checkpoints, corresponding back-out plans for each checkpoint, and details of all timings, so that the Service is returned to service Integration Function within an agreed timeframe).

3. Create a Change Record detailing the Lifecycle of a single Change for every Request for Change submitted (even those that are subsequently rejected) and storing the Change Records in a Configuration Management System (CMS).
4. Identify Change category as set out in the categorization schema and the information set out in the Cross-Provider Configuration Management Database and associate the Change Record to the relevant Configuration Items
5. Submit Request for Changes which accept multiple Suppliers to the Client in advance to the weekly meeting.
6. Initially assign Change Models to Changes, where appropriate.
7. Update the Cross-Provider its own CMDB/CMS in cooperation with Service Asset and Configuration Management.
8. Prioritize Changes, in accordance with the Priority Levels set out in Attachment J to Exhibit 1 (Priority Levels) of the ADM SOW. This includes changing Priorities if so instructed by the Client.
9. Allocate Cross-Provider and Supplier Change Records to a Resolution Group.

#### **6.2.5 Review the RFC**

The Supplier's responsibilities will include:

1. Review and filter out RFC that not apply to standards and reassign change to Client or requestor to request additional Information or reject changes that do not qualify.
2. Accept that the initial allocation of Change by the Client.
3. Request a Priority Level allocation from the Client should one not have been allocated for a received Change.
4. Provide advice to the Client if the initial review indicates the Priority Level should be altered.
5. Where it considers that the allocation was in error, the Supplier shall re-assign the Change to the Client or resolver group.
6. The Supplier shall process each Change in accordance with the Priority Level and Resolution Times set out in the Priority definitions and as set out in Attachment J to Exhibit 1 (Priority Levels) of the ADM SOW.

#### **6.2.6 Assess and evaluate the change**

The Supplier shall assess the Impact, costs, benefit, and risk of proposed Changes and amending the Supplier IT Service Continuity Management plan, capacity plan, security plan and test plan accordingly) and creating an auditable record of the Change Assessment, using available tooling and data.

The Supplier shall conduct an assessment of the risks arising from a Change, including any Cross-Supplier Changes, and developing or assisting in the development of mitigations.

### **6.2.7 Authorize change deployment**

The Supplier shall review proposed Changes and schedules with the Client and other Suppliers and obtaining all necessary approvals in accordance to the approval matrix for proposed Changes.

The Client shall produce, coordinate, run, and document a Change Schedule as required by the Client

The Supplier shall request and cooperate with any further review required by Client to enable authorization of any submitted Change.

In an emergency, the Supplier shall gain authorization from the Emergency Change Advisory Board to implement an Emergency Change in accordance with Change Management procedures.

### **6.2.8 Plan Changes**

The Supplier shall plan the Change including updating the overall Release plan and back-out plan in an FSC. The proposed schedule, shall include implementation date(s) and approximate time(s) for determination of any existing conflict with business events, Cross-Provider Changes, freeze and maintenance window periods) or with other Suppliers and the Client. It also shall include:

- a) The proposed implementation procedures,
- b) A rating of the potential risk, (including the likelihood and an assessment of Service impact from which the business impact will be assessed by Client), and/or complexity of the Change.

The Supplier shall cooperate with the Client to ensure that the Change is part of the Client's overall Forward Schedule of Change (FSC) and that Client is fully aware of each individual Change plan.

### **6.2.9 Coordinate change implementation**

The Supplier's responsibilities will include:

1. Where required cooperate with Client and other Suppliers and designated representatives at Sites potentially affected by a Change (incl. Cross-Provider Changes) in order to minimize disruption of normal business processes and proper receipt of the Services. Including:
  - a) Carrying out activities required to deliver the Change, including making Changes to individual Components and coordinating Changes across all Components within its remit,
  - b) Controlling systems and activities required by moves, upgrades, replacements, migrations, and so forth.
  - c) Including rollout, testing, and roll-back plans for every Change Request,
  - d) Providing information to Client in accordance with Change management process on the outcome of any Change and the updated status after each Change is implemented.
2. Monitor and report on the Change implementation, including maintaining a comprehensive list of Projects and dates to the Client.

3. If there is a need for emergency Systems maintenance, providing the Client with as much notice as reasonably practicable, and performing such maintenance so as to minimize interference with the Business and operational needs of the Client
4. Fully test Changes and resolving faults, if possible, prior to production start-up, including inter-operability testing and reporting test results back to the Client. The Supplier shall ensure that all global, regional and local Impacts are taken into account and tested appropriately and Changes are raised at the appropriate CAB.
5. Ensure that all operational and other documentation affected by the Change are updated.

#### **6.2.10 Change Escalation**

The Supplier shall escalate issues to the appropriate levels for resolution in accordance with escalation procedures approved by the Client (or as requested by Client on case by case).

#### **6.2.11 Change Closure**

The Supplier's responsibilities will include:

1. Conduct Post Implementation Reviews of Changes to determine whether the Change was successful and to identify opportunities for improvement.
2. Collect data on every Change attempted. Such data to shall include:
  - a) The cause of any Incidents,
  - b) Measures taken to prevent recurrence, and
  - c) Whether the Change was successful from the perspective of the End User, other Suppliers affected by the Change.
3. Manage, conduct and support joint reviews of any subsequent Change failure s so that the root causes of post-Change issues can be identified and, where appropriate, linked to the originating Change activity. In addition, the Supplier shall implement any improvements required to prevent a reoccurrence.
4. Report to the Client, which can be via service management tooling, each Change that has been implemented.
5. The Supplier shall close and update the Change Record with all of the details of the in accordance with the Change Management policies.

#### **6.2.12 Emergency Change**

The Supplier shall obtain Emergency Change approval and follow the Emergency Change Procedure.

### **6.3 Service Asset & Configuration Management (SCAM)**

#### **6.3.1 Definition**

The purpose of the Service Asset & Configuration Management (SCAM) Process is to ensure that relevant assets and configuration items are controlled, and that reliable information is available to service management processes and functions when and where it is needed. This



information includes details of how the assets have been configured and the relationships between assets.

Configuration Management is the process responsible for maintaining information about Configuration Items required to deliver a service, including its relationships.

Asset Management is the process responsible for tracking and reporting the value and ownership of financial Assets throughout their lifecycle.

### **6.3.2 Scope**

The Supplier shall manage and oversee the Service Asset and Configuration Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Service Asset management Process.

The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

### **6.3.3 General Considerations**

#### **6.3.3.1 Process Set-Up and Maintenance**

The Supplier's responsibilities will include:

1. Establish and maintain change Service Asset and Configuration Management in accordance to the requirements defined by the Client for its Services. The process must conform to good practice for Service Asset and Configuration Management, Client requirements and align to the Client Service Asset and Configuration Management solution, as defined and directed by the Client.
2. Integrate its Service Asset and Configuration Management Process and other Service Management Processes with the Cross-Provider Service Asset and Configuration Management Process, subject to the Client's approval.
3. Maintain accurate records of all Assets used to deliver the Services, both physical Assets and Software Assets. This is irrespective of the ownership of each Asset. Where Supplier uses shared Assets then a listing of equivalent Assets is required in the regular Exit Report.
4. Define and maintain a Service Asset and Configuration Management Plan which integrates with the Cross-Provider Service Asset and Configuration Management Plan.
5. For the avoidance of doubt, the Client records that reside within the Supplier Configuration Management System/Configuration/Asset Management Database shall be regarded as Client Data.
6. Maintain clear ownership for individual components, Configuration Items and Assets of Services in scope.
7. Define and manage required data models, subject to the approval of the Client, for the managing the required data model for the Cross-Provider CMDB and Supplier CMDBs incl. the recording of relationships between configuration items to:
  - a) Assess the impact and cause of incidents and problems,
  - b) Assess the impact of proposed changes,
  - c) Plan and design new or changed services and release,



- d) Plan technology refresh and software upgrades,
- e) Optimize asset utilization and costs, e.g. consolidate data centers, reduce variations and re-use assets.

### 6.3.3.2 Tooling

The Supplier's responsibilities will include:

1. The Supplier shall, subject to the approval of the Client, provide an automated Configuration Management System and Assets Management System including standard Interfaces to the Cross-Provider Configuration Management System and Asset Management System including the integration of applicable Tools (e.g. Asset Discovery Tools). All costs of creating and operating such interfacing are the responsibility of the Supplier.
2. The Supplier uses its own Configuration Management System (CMS), which must follow the requirements of the Client, and at least include:
  - a) Implementing a CMS comprising one or more Configuration Management Databases (CMDB), which contain details of the Configuration Items and their Attributes used in the provision and management of the Services. Determining the schema for the CMS, this must interact with the schema specified by the Client.
  - b) The CMS shall also include information about Incidents, Problems, Known Errors, Operational Changes and Releases.
  - c) Providing electronic interfaces to all such CMS to the Client to allow transfer and update of all Configuration Items and their Attributes that are the Suppliers' responsibility.
  - d) Providing the Client with online access to a mirrored copy of the CMS/CMDB which is updated on a no less than weekly basis.
  - e) Maintaining a secure Definitive Media Library (DML) that holds the master copy and associated documentation for all Software, except those versions of the Client Application Software not released into the live environment.
  - f) Validating synchronization and currency of the CMS/CMDB and active directory by continually validating the content of the Active Directory Components of the CMS/CMDB against the content of the relevant Active Directory and other references (e.g. cost center), also testing of the CMDB to ensure Components of a Service are accurately recorded so that Service facilities, Incident resolution etc. are supported.
  - g) Controlling master copies of digital CIs in the Definitive Media Library.
  - h) Maintaining physical media associated with CIs in a Secure Store and controlled manner.
3. The Supplier shall implement and manage an Asset Inventory and management service as approved by Client and using a tooling and hosting Environment approved by the Client which includes:
  - a) Providing Client with online access at all times to the enterprise Asset Inventory database and provide industry standard flexible on-line data and analysis facilities
  - b) Ensuring that Suppliers record the individual data elements for each Asset so that its attributes can be determined, such as ownership (including leased

Equipment), Asset type, model and Release number, Site location, country, any physical address, compliance with standards and System priority, Applications, contact details, and criticality rating etc.

- c) In order that the Asset Inventory can be shown to be accurate, initiating and overseeing e-discovery and other methods of reconciliation by the Suppliers,
  - d) Support auto discovery.
  - e) Facilitate effective deployment and re-use of the Client and Suppliers-owned IT Assets
  - f) Enable a common view in terms of information access and presentation by the Client and the Suppliers.
  - g) Electronically linking Asset Management tools, processes, and the Asset Register to the CMS/CMDB, Incident Management System, Change Management System, and other Service Desk tools and processes in order to effectively leverage the information contained therein.
4. The Supplier uses its own tool it shall integrate the Configuration Management System and Asset Management System with the Cross-Provider and Provider Service Management Processes and tools where the processes interact. The Supplier shall maintain a real time data flow and records with bi-directional interface.

#### **6.3.3.3 Communications**

The Supplier shall provide necessary information for reporting of Service Configuration and Asset Items to the Client.

#### **6.3.3.4 Reporting**

The Supplier shall provide monthly Service Asset and Configuration Management reports in a format as described in Exhibit 4 (Service Reports) to the applicable SOW, to the Client.

#### **6.3.4 Configuration Identification**

The Supplier's responsibilities will include:

- 1. Identifying all Configuration Items irrespective of type, including Service Lifecycle CIs, Service CIs, organization CIs, internal to Supplier CIs, external to Suppliers CIs and interface CIs, owners and identify and record relationship between Configuration Items for the Services in scope.
- 2. Ensure that configuration items are uniquely identified and defined by attributes that describe their functional and physical characteristics as defined by the Client.
- 3. Apply Configuration policies which shall be part of the Configuration Management plan, to inventory and record all Configuration Items that comprise the Services as required by the Client.
- 4. Define and apply the efficient methods of gathering and maintaining Configuration Items, as directed by the Client.
- 5. Record the individual data elements for each Asset so that its attributes can be determined, such as ownership (including leased Equipment), Asset type, model and Release number, Site location, country, any physical address, compliance

with standards and System priority, Applications, contact details, and criticality rating etc., as required by the Client.

6. Identify configuration baselines formal control of a configuration for Service in scope and support the Client's to establish a Cross-Provider Configuration Baselines.
7. If applicable, adapt the structure of the DML so that it can store master copies of the newly defined/ changed CI types.

### **6.3.5 Configuration Control**

The Supplier's responsibilities will include:

1. Cooperate with the Client to coordinate Configuration Items between the Client's central CMDB and Supplier' CMDBs, where they exist, and other external sources to ensure data integrity
2. Ensure that only authorized and identifiable Configuration Items, including operations documents, Equipment, Software and Applications, are accepted and recorded from receipt to disposal.
3. Incorporate all CIs approved by Client or Authorized Users for the Equipment, Software, and into the CMS/CMDB. The Supplier must complete this incorporation on a continuous basis at the time Changes are made.
4. Ensure that any change to any Configuration Record in the CMS/CMDB is the result of an approved Request for Change.

### **6.3.6 Status accounting and reporting**

The Supplier's responsibilities will include:

1. Establish and maintain in accordance with the requirements defined by the Client, status accounting and reporting for Services that ensures that all current and historical data concerned configuration data and documentation is recorded as each CI progresses through its lifecycle and enables changes to configuration items to be tracked through various state subject to the approval of the Client.
2. Maintain accurate Configuration data for the Configuration Items, including operations documents, Equipment, Software and Applications used to provide the Services.
3. Produce and maintain the record of Configuration Items for current Equipment, Software, and Applications architecture and design documentation for issue to the Client upon request.
4. Reproduce the Configuration status of the Configuration Items, including operations documents, Equipment, Software and Applications, at any point in time throughout its Lifecycle, as required by the Client.
5. Responding to queries and requests concerning the Configuration Items or supporting information in less than 12 (twelve) business hours from receipt of request.

### **6.3.7 Verification and audit**

The Supplier's responsibilities will include:

1. Conduct assurance reviews and physical audits in accordance with the Configuration Management Audit Plan and provide evidence to Client and its auditors of the accuracy and completeness of the records in the CMS/CMDB and the existence of CIs. Such reviews and audits are to include operations documents, Equipment, Software, and Applications. Where automated validation is not possible, all records shall be validated at least every 6 (six) months.
2. If a discrepancy is found, taking corrective action to correct the discrepancy as directed by the Client, including:
  - a) Identifying any CIs not recorded in the CMS/CMDB or incorrectly recorded and adding or correcting such records.
  - b) Removing assets/CIs (e.g. laptops) that cannot be located.
  - c) Taking corrective action if a physical audit identifies any deficiency in the accuracy or completeness of the records in the CMS/CMDB.
3. Report discrepancy and status of corrective actions to the Client.
4. Ensuring that Services offered in the CMDB are up-to-date by performing a gap analysis of Assets catalogued versus the industry best practices for useful life versus actual life span.
5. Establish a baseline of CIs before a Release into a Development, Test, or Live Service Environment and cooperates with the Client to establish a Cross-Tower Service Baseline.
6. Ensure that Release and Configuration documentation is available before Changes are made to the Live Service Environment to the Client
7. Proactive monitoring expiring Configuration Items for Cross-Tower Services, including licenses and tokens, and assisting Suppliers and the Client to keep the information current.
8. Conduct assurance reviews and physical audits in accordance with the Configuration Management Audit Plan and provide evidence to Client and its auditors of the accuracy and completeness of the records in the CMS/CMDB and the existence of CIs. Such reviews and audits are to include operations documents, Equipment, Software, and Applications. Where automated validation is not possible, all records shall be validated at least every 6 (six) months.

### **6.3.8 Asset Management**

#### **6.3.8.1 IT Asset Inventory and Register**

The Supplier's responsibilities will include:

1. Conduct an initial, complete inventory of all Equipment, Software, and related Services provided or supported by the Supplier and deployed at Client Sites or Supplier locations. This initial inventory will include all IT Assets, whether such Assets are owned or leased by either Client or the Supplier.
2. Schedule and complete this initial inventory in accordance with the Critical Deliverables as listed in Exhibit 02 (Service Levels) of the applicable SOW.
3. Record, at a minimum, the individual data elements for each Asset as part of the initial inventory as specified in Attachment A (as applicable for individual Asset types).

4. As the initial Asset inventory is being conducted, enter the required information regarding the Assets into a Supplier-provided Asset Register. Client will approve the Asset Register and the initial inventory before final implementation.
5. Provide Client with online access to the Asset Register.
6. Produce periodic reports as necessary, and respond in a timely manner to queries and requests concerning the inventory data or supporting information.
7. Develop, implement, and maintain automated Asset Management tools for all Services and Supplier-provided processes that:
  - 7.1. Support auto discovery.
  - 7.2. Facilitate effective deployment and re-use of Client and Supplier-owned IT Assets.
  - 7.3. Enable a common view in terms of information access and presentation by Client and the Supplier.
8. Electronically link Asset Management tools, processes, and the Asset Register to the CMS/CMDB, Incident Management System, Change Management System, and other Service Desk tools and processes in order to effectively leverage the information contained therein.
9. On a periodic basis (at least semi-annually), update the Asset Register by electronically polling Equipment (to the extent enabled in the Client-approved enterprise management System provided by the Supplier).
10. When performing Equipment installations validate and correct physical inventory information.
11. Conduct regular inventory reconciliation through random record-to-floor physical inventory verification.
12. Verify and correct inventory information upon an Authorized User's request for on-site service.
13. Continuously update the Asset Register by the following actions:
  - 13.1. Remove Assets that are no longer in use.
  - 13.2. Modify asset information resulting from asset relocation and/or use by a different Authorized User.
  - 13.3. Modify Asset information in response to upgrades and Software updates.
  - 13.4. Add new Asset information upon implementation of new Equipment or Software.

## **6.4 Release and Deployment Management**

### **6.4.1 Definition**

The purpose of the Release and Deployment Management Process is to plan, schedule and control the build, test and deployment of releases, and to deliver new functionality required by



the business while protecting the integrity of existing IT Services and has the Service over to Service Operations.

#### **6.4.2 Scope**

The Supplier shall manage the Release and Deployment Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Release and Deployment Process.

The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

#### **6.4.3 General Considerations**

##### **6.4.3.1 Process Set-Up and Maintenance**

The Supplier responsibilities shall include:

1. Establish and maintain change Release and Deployment Management in accordance to the requirements defined by the Client for its Services. The Process shall ensure that any change to the Services is controlled, tested, traceable, authorized, and implemented in a structured manner with an associated transition plan. The process must conform to good practice for Release and Deployment Management, Client requirements and align to the Client Release and Deployment Management solution, as defined and directed by the Client.
2. Integrate its Release and Deployment Management Process and other Service Management Processes with the Cross-Provider Release and Deployment Process, subject to the Client's approval.
3. In accordance with the Client requirements implement controls to manage risks and to achieve compliance with regulations, Client's policies and standards throughout the R&DM process, including the Information Security Policy.
4. In accordance with the Client requirements implement manage and support the Release policies and principles, as defined by the Client.
5. In accordance with the Client's process requirements, establish and maintain Software control and distribution procedures, including the management of the Software Configuration Items and their distribution and implementation into the Live Service Environment.
6. Support the Client in maintaining an overall Cross-Provider Release plan by informing the Client of all planned Changes in line with Client's Release policies.
7. Assign a Single Point of Contact (SPOC) for each requested Release.

##### **6.4.3.2 Tooling**

The Supplier shall use the Cross-Provider Release Library provided by the Client OR the Supplier shall, subject to the approval of the Client provide a Library which contains master copies of all Releases that are in production and historical versions that have been in

production including interfaces to the Cross-Provider Service Release Library. All costs of creating and operating such interfacing are the responsibility of the Supplier.

The Client shall in accordance with the Client's process requirements establish processes for o submit Releases to the Cross-Provider Release Library, including media, naming conventions, Configuration requirements and Security requirements.

#### **6.4.3.3 Reporting**

The Supplier shall in accordance with the Client's process requirements, establish and maintain a measurement processes across its Service to record and report the success and failure of Releases, including recording Incidents related to Release activities in the period following a Release.

#### **6.4.4 Release and deployment planning**

The Supplier shall define a release and Deployment Plan and assist the Client to define a Cross-Provider Release and Deployment Plan based on overall Service Transition Plan for Services in Scope, which shall include but is not limited to:

- a) Definition of the Release Units to be included in the Release,
- b) Project Plan, Deliverable and Milestones,
- c) Build and Test Plan,
- d) Resource Plan,
- e) Logistics and Delivery Plan,
- f) Financial/Commercial Plan,
- g) Planning of Pilot,
- h) Pass/fail criteria.

The Supplier shall produce Release Impact Assessments in support of its Release planning.

The Supplier shall arrange the Release plan sign-off by the Client and Change Management Process.

#### **6.4.5 Build and Test**

The Supplier responsibilities shall include:

1. Defining the Release design (such as big bang, phased, push and pull, automated, manual) in conjunction with the Client and other Suppliers as required.  
The Supplier shall acquire test input for configuration items and components for Services in scope, in conjunction with the Client.
2. Build and manage the test environments for Services, in conjunction with the Client.
3. Formulate the Release package, which may consist of a single Release Unit or a collection of Release Units, in conjunction with the Client and other Suppliers as required.
4. Design, Build, Configure and Test Service Rehearsals of the Release in conjunction with the Client or other Suppliers as required and accordance to Release Procedures and Policies.



#### **6.4.6 Release Deployment**

The Supplier responsibilities shall include:

1. Develop an implementation and back-out plans for approved Changes that will be included in a Release, subject to approval by the Client,
2. In coordination with Service Transition Planning and Support and the Client develop and coordinate Release communications, preparation, and training activities, as required by the Client.
3. As required by the Client, execute the release and deployment into the Production environment of changes to the Services and their component Configuration Items (including software, SM processes, hardware and associated documentation) and in accordance with the Service Design Package including the activities described in this Common Exhibit.
4. Validate that all items being rolled out or changed are secure and traceable through the CMS/CMDB.
5. Resolve all Release issues and escalate to the Client Cross-Provider Issues for resolution.
6. Provide in cooperation with the Client proper testing for all Releases before they are transferred to the Live Service Environments including testing of rollback as described by the back-out plans.
7. Provide updates to the Client regarding Release status.

#### **6.4.7 Early Life Support**

The Supplier shall provide Early Life Support (ELS) for a period of time directly after the deployment of a new or changed Service to include a review of the KPIs, Service Levels, Monitoring Thresholds, and provision of additional Resources for Incident and Problem Management, as directed by the Client

The Supplier shall during the period of ELS, notifying the Client of all support issues arising from the deployment of new or changed Services.

#### **6.4.8 Release Review and close**

The Supplier shall in conjunction with the Client conduct a Deployment Review which shall include:

1. Capturing of experiences and feedback on Client, user and Supplier satisfaction with the deployment, e.g. through feedback surveys.
2. Highlighting quality criteria that were not met,
3. Checking that any actions, necessary fixes and changes are complete.
4. Reviewing open Changes and ensure that funding and responsibility for open changes are agreed before handover.
5. Reviewing performance targets and achievements, including resource use and capacity such as user accesses, transactions and data volumes.
6. Making sure there are no issues at the end of the deployment.
7. Checking that any problems, known errors and workarounds are documented and accepted



8. Reviewing the risk register and identify items that impact service operation and support. Addressing risks or agreeing actions such as moving the risks to the service transition risk register.
9. Checking that redundant assets have been removed,
10. Checking that the service is ready for transition from early life support into service operation.

The Supplier shall assist the Client to the review and closure of the service transition by conducting a formal review carried out that is appropriate to the scale and magnitude of the change. A review of the Service Transition should include:

1. Checking that all transition activities completed, e.g. documentation and information, are captured, updated, secured and archived,
2. Checking that accurate metrics were captured.

The Supplier shall obtain release acceptance and assist the Client to obtain Cross-Provider Release Acceptance, including:

1. Managing and maintaining the integrated map of impact of Releases.
2. Ensuring all Release documentation is created.
3. Ensuring that Release authorization and sign-off is obtained once documentation is accepted.
4. Verifying if the CMS is up to date,
5. Initiating in cooperation with the Client the Change Management process to gain authorization.

The Supplier shall set the Release Status to close after sign-off of the Client and Client.

## **6.5 Service Validation & Test**

### **6.5.1 Definition**

The purpose of Service Validation and Testing is to ensure that the new or changed Services are fit for purpose (utility) and fit for use (warranty).

### **6.5.2 Scope**

The Supplier shall manage the Service Validation and Test Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Service Validation and Test Process.

The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

### **6.5.3 General Considerations**

#### **6.5.3.1 Process Set-Up and Maintenance**

The Supplier shall establish and maintain a Service Validation and Test Process in accordance to the requirements defined by the Client for its Services. The Process shall ensure that any change to the Services is tested and fit for purpose and use. The design of the testing controls and any changes to that design are subject to Client's prior approval. The process must

conform to good practice for Service Validation and Test , Client requirements and align to the Client Service Validation an test solution, as defined and directed by the Client.

The Supplier shall integrate its Service Validation and Test Process and other Service Management Processes with the Cross-Provider Service Validation and Test Process, subject to the Client's approval.

The Supplier shall establish and maintain a Service Validation Framework and Policies, in accordance with the requirements defined by the Client, which shall include but is not limited to:

1. Service Validation and Testing Strategy,
2. Service Validation and Testing policies,
3. Service quality and assurance guidelines,
4. Test Models,
5. Testing approaches and techniques,
6. Test management policies and procedures for planning, control and reporting of activities through the test stages of service transition.

#### **6.5.3.2 Tooling**

The Supplier shall use the Cross-Provider SV&T tools provided by the Client **OR** The Supplier shall, subject to the approval of the Client -Provider SV&T tools including interfaces to the Cross-Provider -Provider SV&T tools. All costs of creating and operating such interfacing are the responsibility of the Supplier.

The Client shall develop and maintain test data and repositories as directed by the Client.

The Supplier shall provide required tools, resources and data to support the monitoring and review of production errors by the Client in order to improve test models over time, subject to the approval by the Client.

The Supplier shall ensure that all test results are logged and available to the Client.

#### **6.5.3.3 Reporting**

The Supplier shall establish and maintain a measurement processes, in accordance with the requirements defined by the Client, to record and report the success and failure of testing as a service including recording failed testing plans, Incidents related to failed testing activities in the period following a Release

#### **6.5.4 Plan and design tests**

The Supplier shall develop the Supplier's elements of the Pre-Production test plan in support of the Client and other Suppliers and ensure such plan addresses operational readiness, testing of any data conversion procedures, System performance, and System Reliability; as may be applicable. The Plan is subject to approval by the Client.

The Supplier shall develop a user acceptance test structure to allow testing of Client-provided test cases as directed by the Client.

The Supplier shall apply a matrix of Authorized User and design requirements to test cycles and scripts as directed by the Client

The Supplier shall manage in cooperation with the Client the completion of the approved integrated pre-production test plans prior to migrating code into the Client's Production Environment

#### **6.5.5 Verify test plans and test design**

The Supplier shall ensure the test plans and test design, in accordance to the requirements defined by the Client, to ensure that:

1. The test model delivers adequate and appropriate test coverage for the risk profile of the Service,
2. The test model covers the key integration aspects and interfaces, e.g. at the SPIs,
3. The test scripts are accurate and complete.

The Supplier shall compile a report for the Client.

#### **6.5.6 Prepare test environment**

The Supplier shall establish and maintain the test environment in accordance with the contracted responsibilities for the underlying Hardware and Software performing the Services in cooperation with the Client

The Supplier shall ensure that a configuration baseline of the initial test environment is captured

The Supplier shall support the Testing of Applications and Infrastructure for which the Supplier has responsibility in support of other Supplier System testing.

#### **6.5.7 Perform tests**

The Supplier responsibilities shall include:

1. Perform pre-production testing as directed by the Client prior to migrating code into the Client Production Environment from any Development Environment, including that of the other Supplier or Client
2. Conduct the Component and Assembly Test for any Clients standard product as directed by the Client including:
  - a) COTS and custom-developed applications, for compatibility,
  - b) Unit testing,
  - c) Systems integration testing,
  - d) LAN/WAN connectivity testing,
  - e) Load testing,
3. Application inter-connectivity testing, which simulates Client's Production Environment.
4. Perform unit testing.
5. Perform stress testing, including performance and volume testing.
6. Perform System testing activities as directed by the Client.
7. Perform regression testing as directed by the Client.
8. Perform functional testing as directed by the Client.

9. Provide application inter-connectivity testing and network connectivity/ communication testing as directed by the Client.
10. Perform knowledge transfer of learning's gained from the testing to the Application Maintenance Team as directed by the Client.
11. Reviewing and obtaining specific approval from Client's operations manager for any test job projected to run longer than thirty (30) minutes in production.
12. Address defects and identify improvements and conduct retest, in corporation with the Supplier.
13. Support the Client by the resolution of platform integration-related issues with the relevant application development providers/ infrastructure providers.
14. Provide test reports to the Client setting out test outcomes and actions being taken to address failures
15. Resolve Incident or issues or documented those (e.g. as a known error).
16. Complete all required testing documentation as directed by the Client
17. Conduct a walkthrough of test results with the Client
18. As directed by the Client, provide required resources, expertise, support and participation in the testing of the service management processes and tools to ensure that the new or changed service can be operated and maintained in the production environment effectively (fit for purpose and use). Key areas to be tested include:
  - a) Ability of the Supplier to respond to and resolve incidents within Service Levels (SLs) in conjunction with other Suppliers and the Service Integration Provider (includes testing the accuracy of Configuration data and procedures to be followed);
  - b) Monitoring and reporting tools,
  - c) ability to migrate to fully operational SLs - including the provision of sufficient capacity,
  - d) Effectiveness of training and operating procedures,
  - e) Effectiveness of service continuity provisions,
  - f) Security management.
19. Obtain the operational readiness sign-off from relevant for New Service introduction, as directed by the Client.

#### **6.5.8 Evaluate exit criteria and report**

The Supplier shall review all test results with the Client to ensure each test was both successfully executed and passed the success criteria established for that test. The Supplier shall compile a summary report for the Client.

#### **6.5.9 Test clean up and closure**

The Supplier shall clean up or initialization of its test environments in cooperation with the Client.

The Supplier shall support Client to review the testing approach and identify improvements to input to design/build, buy/build decision parameters and future testing policy/procedures.

## **6.6 Change Evaluation**

### **6.6.1 Definition**

The goal of Change Evaluation is to assess a new or changed Service to ensure that risks have been managed and to help determine whether to proceed with the Change.

This Evaluation process describes a formal evaluation that is suitable for use when significant changes are being evaluated.

The evaluation will verify that the actual performance of a Service following a change meets the predicted or expected performance for that Service.

### **6.6.2 Scope**

The Supplier shall manage the Change Evaluation Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Change Evaluation Process. The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

### **6.6.3 General Considerations**

#### **6.6.3.1 Process Set-Up and Maintenance**

The Supplier shall establish and maintain a Change Evaluation Process in accordance to the requirements defined by the Client for its Services. The Process shall ensure that Change evaluations are applied consistently, in applying standardized means of determining the performance of Services and the effect Changes thereon. The process must conform to good practice for Change Evaluation, Client requirements and align to the Client Change Evaluation solution, as defined and directed by the Client.

The Supplier shall integrate its Change Evaluation Process and other Service Management Processes with the Cross-Provider Change Evaluation Process, subject to the Client's approval.

The Supplier shall establish and maintain as required by the Client Policies and consistent practices for evaluating Significant Changes.

The Supplier shall execute activities in compliance with the Client policies and standards and Client requirements, throughout the Change Evaluation process, including the Information Security Policy.

#### **6.6.3.2 Tooling**

Tool Requirements to be specified.

### **6.6.4 Plan the Evaluation**

The Supplier shall perform an evaluation in cooperation with the Client, of both intended and unintended effects of the proposed Significant Change or Significant Cross-Provider Changes if it affects its Services. This shall include:

1. Analyzing the details of a Significant Change, Requirements and Service Design Package to understand fully the purpose of the change and the expected benefit from implementing it,

2. Reviewing the proposed change with all stakeholders and Suppliers, Client to gain a broader understanding of the additional effects of the change which were not expected or planned for.
3. Provide a report to the Client.

#### **6.6.5 Evaluate Predicted Performance**

The Supplier shall, in cooperation with the Client if required, evaluate of the predicted Performance including:

1. Using Requirements (including acceptance criteria),
2. Evaluating the predicted performance, and/or the outcome of the predicted performance, versus the acceptance criteria.
3. Preparing an interim evaluation report for the Client and Change Management that includes a recommendation to accept or reject the service change in its current form.

#### **6.6.6 Evaluate Actual Performance**

The Supplier shall after implementation of a Change provide input regarding actual performance of the IT Service versus the acceptance criteria. The Supplier shall provide a report to the Client and Change Management.

#### **6.6.7 Risk Management**

The Supplier shall perform a risk assessment in cooperation with the Client if required for Cross-Provider Changes, based on the required specifications, predicted performance and the acceptance criteria for the proposed Change. Report Evaluation findings to and await further direction from Change Management and Client.

#### **6.6.8 Evaluation Report**

The Supplier shall produce an Evaluation Report based on the input, and in cooperation with the Client as required, which will inform the Post Implementation Review (PIR) carried out by Change Management and contains:

1. Risk profile: A representation of the residual risk left after a change has been implemented and after countermeasures have been applied
2. Deviations: The difference between predicted and actual performance following the implementation of a Change,
3. A qualification statement (if appropriate): Following review of qualification test results and the qualification plan, a statement formally documents that the IT infrastructure is appropriate and correctly configured to support the specific application or Service,
4. A validation statement (if appropriate): Following review of validation test results and the validation plan, a statement that formally documents that the new or changed service or application meets a documented set of requirements
5. Recommendation: A recommendation to Change management to accept or reject the Change.

## **6.7 Knowledge Management**

### **6.7.1 Definition**

The purpose of the Knowledge Management Process is to share perspectives, ideas, experience and information; to ensure that these are available in the right place at the right time to enable informed decisions; and to improve efficiency in delivery of services by reducing the need to rediscover knowledge.

### **6.7.2 Scope**

The Supplier shall manage the Knowledge Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider knowledge Management Process.

The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

### **6.7.3 General Considerations**

#### **6.7.3.1 Process Set-Up and Maintenance**

The Supplier shall establish and maintain a Knowledge Management Process in accordance to the requirements defined by the Client for its Services. The process must conform to good practice for Knowledge Management, Client requirements and align to the Client Knowledge Management solution, as defined and directed by the Client.

The Supplier shall integrate its Knowledge Management Process and other Service Management Processes with the Cross-Provider Knowledge Management Process, subject to the Client's approval.

#### **6.7.3.2 Tooling**

The Supplier responsibilities shall include:

1. Subject to the approval of the Client provide and maintain automated Service Knowledge Management System (SKMS) including interfaces to the Cross-Provider Service Knowledge Management System (SKMS) Management. All costs of creating and operating such interfacing are the responsibility of the Supplier.
2. If The Supplier uses its own SKMS the requirements of the Client at least include: deploying, maintaining and updating a Service Knowledge Management System (SKMS) to capture, store, and present information needed to manage the Services. The SKMS data and information will include:
  - a) Policies and procedures,
  - b) Best practices,
  - c) Methods to resolve Incidents,
  - d) Known Errors,
  - e) Service Desk scripts,
  - f) Workarounds,
  - g) Frequently Asked Questions (FAQs)

- h) Trainings Material.
- 3. Update SKMS in a timely manner.
- 4. Integrate the Service Knowledge Management System (SKMS) with the other Cross-Provider and provider Service Management Processes and Tools. The Suppliers shall create and save knowledge assets to the SKMS and provide electronic interfaces for the Cross-Provider Service Knowledge Management System to add edit reports and review the SKMS data and information.
- 5. If the Supplier is using their own SKMS, it shall make the Supplier's SKMS available 24 hours per day, seven days per week (24x7) and be globally accessible through a secure portal for use by Suppliers Personnel, personnel of other Suppliers, Client, and End Users. If Supplier is using the Cross-Provider SKMS, the Supplier shall support the Availability of the Cross-Provider SKMS by appointing an SKMS liaison manager that will work with the Client to set-up and maintain the access rights for Supplier Personnel, personnel of other Suppliers.

#### **6.7.4 Knowledge management strategy**

The Supplier shall establish and maintain a Knowledge Management strategy, subject to consultation and approval from the Client, to identify relevant Service Management and Governance Knowledge and the data and information that support this knowledge. This shall include, but is not limited to:

- 1. Roles and responsibilities and on-going funding,
- 2. Policies, processes and procedures for knowledge management that apply to direct the Suppliers likely to contribute or use the knowledge system,
- 3. Plan for identifying and capturing relevant knowledge and the information and data required to support that knowledge,
- 4. Supporting technology and resource requirements,
- 5. Performance measures.

#### **6.7.5 Conduct knowledge transfer**

The Supplier shall manage and execute an ongoing knowledge transfer process, in accordance to the requirements defined by the Client by conducting analysis to identify knowledge gaps between the department or person in possession of the knowledge and those in need of the knowledge. Based on the outcome of this analysis, formulating a communication improvement plan to facilitate the knowledge transfer.

The Supplier shall implement actions defined in the communication improvement plan as directed by the Client.

#### **6.7.6 Manage data, information and knowledge**

The Supplier shall be responsible for performing information management that consists of establishing data and information requirements, in accordance with the requirements defined by the Client, defining the information architecture for its Services, and establishing data and information management procedures subject to approval by the Client.

The Supplier shall support the Client's activities to audit the SKMS contents to ensure the correctness of the data and information contained therein.

The Supplier shall conduct regular assurance activity (at least xx times each year as per the Service Level), with the Client to ensure information required to manage the Services is



captured, stored, and presented accurately and completely in the SKMS. The information shall include:

1. Policies and procedures ,
2. Best practices,
3. Methods to resolve Incidents,
4. Known Errors,
5. Service Desk scripts,
6. Workarounds,
7. Frequently Asked Questions (FAQs),
8. Trainings Material.

The Supplier shall provide a mechanism for the Client to report and review the SKMS data and information.

The Supplier shall update the SKMS as new Knowledge Assets are produced with rapid deployment of information which supports the Incident processes. At least twice-yearly auditing the SKMS contents with the Client to ensure the correctness of the data and information contained there

## **7.0 SERVICE OPERATIONS**

The purpose of the Service Operation phase of the Service Management Lifecycle is to carry out processes, activities and functions required to provide and manage the Integrated Services for Client's Business and End Users within the Service Levels. Service Operation is also responsible for management of the technology required to provide and support the Services.

The Service Operation Processes are:

- a) Event Management,
- b) Incident Management,
- c) Problem Management,
- d) Request Fulfillment,
- e) Access Management.

### **7.1 Event Management**

#### **7.1.1 Definition**

The goal of Event Management is to monitor the environment and manage all significant Events to allow for normal operation by detecting and escalating exceptional conditions.

Event Management manages Events throughout their lifecycle which includes automation of the process to trace and escalate unforeseen Event circumstances. Event Management is the basis for operational Monitoring and control.

#### **7.1.2 Scope**

The Supplier shall manage and oversee the Event Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Event Management Process.

The Supplier accepts that, while some Events may only affect the Services within the scope of the Supplier, there will be Events that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers. Therefore the Event Management activities as described in this Common Exhibit do apply to all types of Events (Cross-Provider and Supplier).

### **7.1.3 General Considerations**

#### **7.1.3.1 Process Set-Up and Maintenance**

The Supplier responsibilities shall include:

1. Provide monitoring, tracking and reporting for all Services in Scope, and where the Supplier systems are collecting such information. This includes all environments within the scope of the Supplier Services - e.g. Production, Pre-production, Test and Development Environments, Applications, Network, Midrange and Distributed Environments.
2. Establish and maintain, in accordance to the requirements defined by the Client, a proactive Event Management Process and automated Tools so that all Services are monitored such that any Events occurring in the Services are identified, promptly actioned, recorded and reported. The Event Management Process and Tools shall integrate with the other Provider and Cross-Provider IT Service Management Process and Tools.
3. Centralize the Event Monitoring and tracking and provide the means to enable their Integration. The process must conform to good practice for Event Management, Client requirements and align to the Client Event Management solution, as defined, directed and approved by the Client.
4. Integrate its Event Management and other Service Management Processes with the Cross-Provider Event Management Process, subject to the Client's approval.
5. Retain overall responsibility for Events in scope of the Service until the actions correlated to an Event are completed.
6. Provide proactive (in addition to reactive) Monitoring and management in order to enhance the stability and function of the Supplier and Cross-Provider Service Environment in cooperation with the Client.
7. Ensure that a "Service view" available to the Client that provides real time, online information about the actual status of the Service (that is, a consolidated view of the actual status of all IT Components that are part of the IT Business Service) and made available in the form of that a Client can a consolidate the Information it a Cross-Provider Service bridge dashboard available 24 x7 x 365.
8. Collaborate with the Client to define Event Correlation, Categorization and Closure rules and implement those in its Environment, subject to the approval by the Client.
9. In accordance to the Client requirements, establish and maintain Event escalation procedures.
10. Establish and maintain, in accordance to the requirements defined by the Client, a process and mechanism for expedited handling of high prioritized Events and critical Alerts based on the assigned Priority Level, as per escalation processes described in the Event Management Procedures.

### 7.1.3.2 Tooling

The Supplier responsibilities shall include:

1. The Supplier shall implement and maintain an Event Management framework, standards as defined by the Client.
2. The Supplier shall, subject to the approval of the Client provide an automated Event Management Tool including interfaces to the Cross-Provider Event Management Tools. In addition the Event Management Tool shall support the data exchange of Events to the Client and, where appropriate, Event data to other Suppliers to establish and allocate end-to-end responsibility and ownership of each Event to a Supplier.  
If the Supplier uses its own its own Event Management Tool, the requirements as defined by the Client at least include:
  - a) Accurately measuring performance against Service Levels. This may include measuring performance of the Services,
  - b) Providing functionality to set Thresholds for tuning to improve performance and utilization.
  - c) Providing Reporting Options for Alerts in accordance with specified Service Levels.
  - d) Automatically triggers response options (e.g. Incident Record generation, scripts),
  - e) Providing a Correlation Engine
  - f) Providing a sophisticated set of Event detection, diagnostic, and tracking Software and Equipment to enable the automation of monitoring, detection, and resolution of Events associated with the Cross-Provider and Services as required.
  - g) Ability to record all information on the details of the Events and the corrective action for later statistical analysis.
  - h) Providing an interface to the central Dashboard Reporting options.
3. Where Processes interact, integrate the Event Management Tool with the other Cross-Provider and Supplier Service Management Processes and Tools.
4. Maintain a real time data flow and visibility with bi-directional ticketing.
5. Retain all costs of creating and operating such interfacing
6. Implement monitoring and reporting of risk indicators as needed to monitor trends and emerging risks arising from Event and the automatic generation of tickets when pre-defined thresholds as agreed with the Client.

### 7.1.3.3 Reporting

The Supplier responsibilities shall include:

1. Provide monthly reports on Event trend analysis.
2. Produce trend reports to highlight production issues and to establish predetermined action and escalation procedures when batch window -Events are encountered.

3. Provide management information on aspects of Service quality in order to meet Client's and the Client's requirements.

#### **7.1.4 Event occurs**

The Supplier shall ensure that types Event for Services in Scope are regularly identified and reviewed to improve Event Monitoring Capabilities and Cooperation with the Client to improve Cross-Provider Event Monitoring capabilities.

#### **7.1.5 Event notification**

The Supplier shall ensure that appropriate Event Notifications for Monitoring of its Services and Service Components or the Cross-Provider Services are implemented within the Event Monitoring Tool.

#### **7.1.6 Event detection**

The Supplier shall perform monitoring activities, including:

1. Monitoring all Services. This may also include Monitoring connected services provided by other Suppliers where the Supplier's Systems are collecting information that can be used to monitor such services (for example, MNS Supplier shall collect data on the Availability of connected Systems).
2. Monitoring all Systems processing.
3. Monitoring the Service Environment, alarm Systems and environmental controls.
4. Monitoring IT Systems, Infrastructure and Business services so that no Event is lost, forgotten or ignored

The Supplier shall take appropriate remedial action to ensure no event is lost or ignored.

The Supplier shall where no Event Management agent/tool is installed on an Infrastructure Component or Application, perform Monitoring through a manual Workaround or other means to ensure that timely Event detection, correlation and notification can occur and is reported to the Service Desk and/or Client in accordance to Escalation Procedures.

#### **7.1.7 Event logged**

The Supplier shall log, track and manage all Events arising in the Supplier in-scope Service Environment and ensure that tracking data is available to the Client.

The Supplier shall maintain and update the operational documentation for all operations procedures and Services based on Event trending information and provide this information to the Client as required.

#### **7.1.8 First-level event correlation and filtering**

The Supplier shall work with the Client regarding the setting of appropriate default thresholds such as performance and utilization for triggering Events based on the level of acceptable risk to Client and on how these will be established and managed for Services.

The Supplier shall implement thresholds in cooperation with the Suppliers and as approved by the Client.

The Supplier shall upon detection of an Event, filtering by classification (such as informative, Alert required, Exception, and so forth) and triggering the appropriate action.



The Supplier shall receive and handle Events generated from other sources. For each Event, a documented action must be defined between the Suppliers.

#### **7.1.9 Significance of events**

The Supplier shall categorize Cross-Provider Events (e.g. Informal, warning, exception) based on defined Categorization Rules.

#### **7.1.10 Second-level event correlation**

The Supplier shall ensure that the correct Priority Level (assessed by reference to Impact and Urgency) is attached to each Event and is available to the Client for further processing. Each IT Component is related to one or more Business Service(s) so that the relationship is apparent to the IT Business Service owner. In addition the Supplier shall ensure that all business critical Events are made visible to the Client in order to set correct Priorities.

The Supplier shall measure actual performance against Service Levels and analyze performance metrics to identify whether performance has exceeded trigger-points indicating an increased risk of service level failure and raising such issues as an Event to the Client.

#### **7.1.11 Further actions**

The Supplier shall correlating Events and initiating the appropriate response, which may include:

- a) Event logging,
- b) Automatic response,
- c) Alert,
- d) Opening an Incident Record.

The Supplier shall assist the Client in processing unassigned or un-assignable Service Events and Thresholds as required.

The Supplier shall effectively escalate Events into the Incident and Problem Management Processes and monitor the Process in cooperation with the Client.

The Supplier shall correlate Events to facilitate Problem Management and Root Cause Analysis of service failures

#### **7.1.12 Response selection**

The Supplier shall participate in joint coordination meetings organized by the Client to determine response Selection for Cross-Provider Events.

The Client shall make Event-related Root Cause Analysis and trend analyses available to the Client.

The Supplier shall prevent unnecessary rerouting and/or reassignments of Events.

#### **7.1.13 Review actions**

The Supplier shall corporate with the Client to validate that significant events or exceptions have been handled appropriately, or trends or counts of event types are analyzed.

The Supplier shall analyzing performance metrics and responding proactively to potential areas of weakness or concern. The Client reserves the right to audit any remediation work.

#### **7.1.14 Close event**

The Supplier shall close Events based on the Event Closure Rules. In the case of events that generated an Incident or Problem, these shall be formally closed with a link to the appropriate Record.

### **7.2 Incident Management**

#### **7.2.1 Definition**

Incident Management is the process that handles all Incidents, which may be failures, faults, or bugs reported by Authorized Users (through the Service Desk) or technical staff, or which are automatically detected and reported by monitoring tools (through Event Management).

Incident Management handles all Service-affecting Incidents and restores the Service as quickly and efficiently as possible to the required Service Levels while minimizing any adverse impact on business operations.

#### **7.2.2 Scope**

The Supplier shall manage and oversee the Incident Management Process across its Services and collaborate with the Service Desk, Client and other Suppliers to manage the Cross-Provider Incident Management Process.

The Supplier shall provide Second Level Support and accepts that, while some Incidents may only affect the Services within the scope of the Supplier, there will be Incidents that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers to resolve the Incident. Therefore the Incident Management activities as described in this Common Exhibit do apply to all types of Incidents (Cross-Provider and Supplier).

#### **7.2.3 General Considerations**

##### **7.2.3.1 Process Set-Up and Maintenance**

The Supplier responsibilities shall include:

1. Establish and maintain an Incident Management Process, in accordance to the requirements defined by the Client for its Services that will restore Service operation with all reasonable speed, within Service Levels and with minimum disruption to the Business. The process must conform to good practice for Incident Management, Client requirements and align to the Client Incident Management solution, as defined, directed and approved by the Client.
2. Integrate its Incident Management and other Service Management Processes with the Cross-Provider Incident Management Process, subject to the Client's approval.
3. Retain overall responsibility for all Incidents allocated to him until the Incident is closed, subject to End User or Authorized User (Client) approval.
4. Define and implement measures to avoid unnecessary reoccurrence of Incidents in its Services. This includes initiating the Problem Management and Change Management Procedure to remediate faults in its Services or Cross-Provider Services as directed by the Client.

5. Support the Client in ensuring the reduction of Incidents over time and improvements of the Incident resolution time by:
  - a) Providing Incident information regarding suggested Service improvements to the Client.
  - b) Developing an action plan on a quarterly basis to address suggested improvements.
  - c) Reviewing the action plan together with the Client and implementing actions as approved by the Client.
  - d) Monitoring and reporting the progress and improvements made and reporting on the percentage of actions completed within the target completion date to the Client.
6. Support the Client in the definition of Incident escalation, prioritization, closure and allocation rules and implement these rules subject to Client approval.
7. Establish and follow Incident Escalation Procedures as provided by the Client.
8. Follow criteria for prioritization of Incidents, in accordance with the Priority Levels set out in Attachment J to Exhibit 1 (Priority Levels) of the ADM SOW and as assigned by the Client.
9. Establish a process and mechanism for expedited handling of Major and high prioritized Incidents based on the assigned Priority Level, as per escalation processes described in the Incident Management Procedures and defined by the Client.
10. Implement Incident Models as approved by the Client.
11. Work with the Service Desk to define, document and implement Incident Models to provide a standard way of managing common types of Incidents.

### **7.2.3.2 Tooling**

The Supplier responsibilities shall include:

1. Subject to the approval of the Client provide an automated Incident Management System and Knowledge Management Database (KEDB) including interfaces to the Cross-Provider Incident Management Tool (including KEDB) and integration of applicable Software, Equipment, electronic mail, telephony, facsimile, and Web technologies.
2. In addition the Incident Management Tool shall support the data exchange of ticketing to the Client and, where appropriate, ticketing data to other Suppliers to establish and allocate end-to-end responsibility and ownership of each Incident to a Supplier. All costs of creating and operating such interfacing are the responsibility of the Supplier.
3. If the Supplier uses its own Incident Management Tool, the requirements as defined by the Client at least include:
  - a) Providing a sophisticated set of Incident resolution, diagnostic, and tracking Software and Equipment to enable the automation of monitoring, detection, and resolution of Incidents associated with the Services.
  - b) Identifying Authorized Users designated by the Clients either Standard or VIP or Executive Users and enable the identification of the relevant Service Level.

- c) Capturing and managing information pertaining to the originator, submission and management of Incidents assigned to it or for which it is responsible.
  - d) Managing information for each Incident logged through automated Event Monitoring tools.
  - e) Implementing and maintaining a KEDB used to capture, store, and retrieve information and solutions. The KEDB must integrate to the Cross-Provider KEDB.
  - f) Tracking the use of the KEDB and report usage statistics to the Client on a monthly basis, or as requested by the Client.
  - g) Regularly updating the Incident Management System (including the Cross-Provider KEDB) with Supplier solutions and best practices as they are developed, including updates based on "lessons learned" and experience with similar technologies and Incidents and Problems for other Clients.
  - h) Providing the ability to record all information on the details of the Incident and the corrective action for later statistical analysis as part of the Problem Management process.
- 4. Integrate the Incident Management Tool with the Client, other Cross-Provider and Supplier Service Management Processes and Tools. The Supplier shall maintain a real time data flow and visibility with bi-directional ticketing.
  - 5. Implement monitoring and reporting of risk indicators as needed to monitor trends and emerging risks arising from Incidents and the automatic generation of tickets when pre-defined thresholds are reached, as agreed with the Client.

### **7.2.3.3 Incident Communication**

The Supplier responsibilities shall include:

- 1. Facilitate and lead information exchange between and among the Suppliers, and Client.
- 2. Maintain communication with Authorized users as defined by the Client.
- 3. Keep tickets automatically updated at all times so that the Client is informed about the current status of tickets.
- 4. Provide regular progress notifications to the Service Desk on Incidents raised by VIP or Executive Users, with the frequency of such notification in accordance with Service Levels and Client requirements.
- 5. Notify Authorized User(s) and Client of changes in Incident status throughout the Incident Lifecycle via the Service Desk in accordance with agreed Service Levels.
- 6. Notify Authorized User(s) and Client of anticipated Resolution Times for active Incidents via the Service Desk.
- 7. Provide prompt notification to the Client of System Outages on critical Systems including:
  - a) Nature of the Incident
  - b) Estimated times to situation response and Service restoration.
  - c) Potential short-term alternatives.



#### **7.2.3.4 Reporting**

The Supplier shall provide monthly Service Asset and configuration Management reports in a format as described in Exhibit 4 (Service Reports) to the applicable SOW to the Client.

The Supplier shall provide, on a schedule agreed with the Client a report in electronic copy in a format agreed with the Client, which at a minimum includes:

1. Key issues relating to Incident Management.
2. Number of Incidents during the month, grouped by Priority, Service, region, and classification,
3. List of Incidents, short description, reference number, and a shortcut to detailed description.
4. Detailed description, including timing of activities.
5. Links to Problem and Known Error Records.
6. Trend analysis of the Incidents reported during the thirteen (13) most recent months.

The Supplier shall calculate statistics and provide monthly reports to the Client in accordance to Exhibit 2 (Service Levels) to the applicable SOW, which include:

1. The number of Incidents.
2. Sources of the Incidents.
3. Frequency regarding the types or categories of Incidents.
4. The duration of open Incidents (average and quantities by age).
5. Other pertinent information regarding Incident resolution, including Service Level measurement reporting.

#### **7.2.4 Incident identification (First Level Support)**

The Supplier shall, where the Event Management has detected an Incident, identify and capture information about the nature of the failure.

#### **7.2.5 Initial Incident investigation and diagnosis (First Level Support)**

The Supplier responsibilities shall include:

1. Accept that the initial allocation of the Incident to a Supplier for resolution shall be at the sole discretion of the Service Desk or the Client should the Service Desk be unable to make an initial allocation.
2. Request a Priority Level allocation from the Service Desk, should one not have been allocated for a received Incident
3. Provide advice to the Service Desk if the Supplier's initial diagnosis indicates the Priority Level should be altered
4. Where it considers that the allocation was in error, the Supplier shall re-assign the Incident to the Service Desk.
5. Process each Incident in accordance with the Priority Level allocated by the Service Desk or the Service Integration Function based on Impact and Urgency and in accordance with the Resolution Times set out in the Priority definitions specified by the Client and as set out in Attachment J to Exhibit 1 (Priority Levels) of the ADM SOW.

6. Support the other Suppliers and Client in the initial diagnosis of an Incident, defining initial resolution options and identification of the Suppliers that need to conduct further investigation or resolution activities.

#### **7.2.6 Incident escalation (First and Second Level)**

The Supplier responsibilities shall include:

1. Cooperate with the Client on any escalations made by the Service Desk and Client.
2. Inform the Client if Incidents exceed or are expected to exceed their target Resolution Times.
3. Escalate issues to the appropriate levels for resolution in accordance with escalation procedures approved by the Client.
4. As directed by the Client, the Supplier shall attend meetings with the Client and other Suppliers support Cross-Provider activities and collaborate as required to diagnose escalated Incidents.

#### **7.2.7 Incident investigation and diagnosis (Second Level Support)**

The Supplier responsibilities shall include:

1. Commence further investigation, diagnosis and resolution of the Incident without further delay upon allocation.
2. Resolve Incidents by matching Incidents to known errors that are stored in a Known Error Database and implementing workarounds.
3. Link multiple contacts pertaining to the same Incident to the associated Incident Record and notify the Service Desk accordingly.
4. Link multiple Incidents pertaining to the same Service Request to the associated Service Request and notify the Service Desk accordingly.
5. Transfer Incidents within specified time limits to the appropriate party (e.g. 3rd Level Support) without compromising Service Levels or security requirements.
6. Perform investigative and diagnostic activities to identify workarounds for each Incident
7. If required, generate a Problem Record from an Incident
8. Promptly update the Incident Record with new information as it becomes available.

#### **7.2.8 Incident resolution and recovery (Second Level Support)**

The Supplier responsibilities shall include:

1. Resolve Incidents within Service Levels for Resolution Times as set Exhibit 2 (Service Levels) and Exhibit 4 (Service Reports) to the applicable SOW, including break/fix hardware and Software support.
2. Ensure that for each assigned Incident, Services are restored as rapidly as possible and in all cases within the Resolution Times applicable to the Incident Priority Level and act proactively and collaborate with all other parties (including other Suppliers) as needed in order to resolve Incidents.
3. Participate in 'all hands' meeting organized by the Client.

4. Provide resolution plans for Priority 1 and 2 Incidents to the Client based and managing implementation after approval of the Client.
5. Track and report the progress of resolution efforts and the status of all Incidents, including
  - a) Reviewing the proposed Resolution Time for each Incident with the appropriate party and update the status accordingly.
  - b) Coordinating Incident tracking efforts, and providing and maintaining regular communications between all parties and Service Desk until Incident resolution.
6. Leverage the Knowledge Management Database to assist with the resolution of Incidents.
7. Where Incidents relate to Assets, the Supplier shall update details in the Asset Register and the CMS/CMDB, or coordinate through the relevant process to confirm updates are made.
8. Where Incidents relate to the changing of Software or Hardware Assets, the Supplier shall update the Definitive Media Library or coordinate with the relevant process to confirm updates are made.
9. If a Change is required to implement resolution or workaround, submit a RFC to Change Management
10. If new workarounds or resolutions got applied, the Supplier shall coordinate with Problem Management as per agreed upon procedure to log new problem/workaround/known error and open Problem Management Record.
11. Conduct necessary tests to ensure that an Incident is resolved.
12. Take remedial action to ensure that the Incident does not re-occur and follow-up to ensure that the remedial action has been taken within reasonable timescales for Major, Priority 1 and Priority 2 Incidents

#### **7.2.9 Incident closure (First and Second Level Support)**

The Supplier shall after successful resolution, document resolution within Incident Management Tool and initiate Incident closure via Service Desk

### **7.3 Problem Management**

#### **7.3.1 Definition**

The primary objective of Problem Management is to prevent Incidents, to eliminate repeating Incidents, and to minimize the impact of Incidents that cannot be prevented.

Problem Management is responsible to drive problem investigation and manage all Problems end-to-end.

#### **7.3.2 Scope**

The Supplier shall manage and oversee the Problem Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Problem Management Process.

The Supplier accepts that, while some Problem may only affect the Services within the scope of the Supplier, there will be Problem that apply across the Cross-Provider Services and require

cooperation and joint work between the Supplier, Client and the other Suppliers to resolve the Problems. Therefore the Problem Management activities as described in this Common Exhibit do apply to all types of Problems (Cross-Provider and Supplier).

### **7.3.3 General Considerations**

#### **7.3.3.1 Process Set-Up and Maintenance**

The Supplier responsibilities shall include:

1. Establish and maintain a Problem Management Process, in accordance to the requirements defined by the Client for its Services. The process must conform to good practice for Problem Management, Client requirements and align to the Client Problem Management solution, as defined and directed by the Client.
2. Integrate its Problem Management and other Service Management Processes with the Cross-Provider Problem Management Process, subject to the Client's approval.
3. Retains overall responsibility for all Problems allocated to the Supplier until the Problem is closed, subject to Client's approval.
4. Establish and maintain Problem allocation rules and procedures, as defined by the Client.
5. Establish and maintain criteria for prioritization of Problems, in accordance with the Priority Levels set out in Attachment J to Exhibit 1 (Priority Levels) of the ADM SOW and as defined by the Client.
6. Establish a process and mechanism for expedited handling of Major and high prioritized Problems based on the assigned Priority Level, as per escalation processes described in the Problem Management Procedures, subject to approval by the Client.
7. Collaborate with the Client to define and implement Problem Models, subject to approval by the Client.
8. Define and implement measures to avoid unnecessary reoccurrence of Incidents for its Services. This includes initiating the Problem Management and Change Management Procedure to remediate faults in the IT Infrastructure and application systems as directed by the Service Integration Supporting Function.

#### **7.3.3.2 Tooling**

The Supplier responsibilities shall include:

1. Subject to the approval of the Client provide an automated Problem Management System including interfaces to the Cross-Provider Problem Management Tool and integration of applicable Software, Equipment, electronic mail, telephony, facsimile, and Web technologies.
2. In addition the Problem Management Tool shall support the data exchange of ticketing to the Client and, where appropriate, ticketing data to other Suppliers to establish and allocate end-to-end responsibility and ownership of each Problem to a Supplier.  
All costs of creating and operating such interfacing are the responsibility of the Supplier.
3. If the Supplier uses its own its own Problem Management Tool, the requirements as defined by the Client at least include:

- a) A sophisticated set of Problem resolution, diagnostic, and tracking Software and Equipment to enable the automation of monitoring, detection, and resolution of Problems associated with the Services,
  - b) Functionality to manage information for each Problem submitted to, and originating from
  - c) Knowledge Database including Interfaces or interfaces to the Cross-Provider Knowledge Database used to capture, store, and retrieve information and solutions for reuse.
  - d) Regular updates of the Problem Management Tool (including the Knowledge Database) with Supplier solutions and best practices as they are developed, including updates based on "lessons learned" and experience with similar technologies and problems for other Clients.
  - e) Integration the Problem Management process, Problem Management Tool and Knowledge Database with the Cross-Provider Service Management Processes and Tools.
4. If the Supplier uses its own Problem Management Tool it shall maintain the Known Error Data Base for each Problem resolved and update automatically the Cross-Provider Known Error Database.
  5. If the Supplier uses its own tool, it shall integrate the Problem Management Tool with the other Cross-Provider and provider Service Management Processes and Tools. The Supplier shall maintain a real time data flow and visibility with bi-directional ticketing.
  6. Implement the monitoring and reporting of risk indicators as needed to monitor trends and emerging risks arising from Problems or as defined and directed by the Client and provide the ability to record all information on the details of the Problems and the corrective action for later statistical analysis as part of the Problem Management process, as agreed with the Client.

#### **7.3.3.3 Communication**

The Supplier shall provide necessary information from the time a Problem is identified through to resolution. As necessary, also provide any follow-up communications and report work required post-resolution to the Client and to other Suppliers.

#### **7.3.3.4 Reporting**

The Supplier shall track and report any backlog of unresolved Problems on at least a monthly basis to the Client, or more frequently as requested by the Client.

The Supplier shall provide a monthly report in a format approved as described in Exhibit 4 (Service Reports) of the applicable SOW. This report shall include:

1. The number of Problems and Known Errors in total and grouped by type, Priority, and status.
2. Statistics on total numbers of Problems and Known Errors.
3. Problem reviews.
4. Trend analysis of Problems and Known Errors documented during the thirteen (13) most recent months.
5. Problem and Known Error trend analysis findings.

6. The number of Requests for Change initiated for Known Errors.
7. Outages that could have been prevented.
  - h) Number of open and closed Problem Records and Known Error Records.
8. Resolution time of Problems.
9. Priority 1 Outages and/or Priority 1 Incidents. Performance.
10. Data showing the relationship between effective Problem Management and the reduction in the number of Incidents.
11. Any issues relating to the efficiency and effectiveness of Problem Management, such as any information that may improve or facilitate a better Problem Management process, including decisions to be made by the Client.

#### **7.3.4 Problem identification**

The Supplier responsibilities shall include:

1. Regularly survey Incidents to identify reoccurring Incidents for which the cause is unknown and any action that can be taken to identify the root cause and resolution incl.
  - a) Identifying Incident trends and developing remedial action plans.
  - b) Identifying single point of failure from Incidents and proposing remedial action plans.
  - c) Proactive analysis identifying faults that may lead to Incidents,
  - d) Undertaking weekly reviews of Incident Management performance and Root Cause Analysis information and with the Client and other Suppliers to identify preventative measures to reduce the frequency of Incidents.
  - e) Implementing the preventative measures identified above, are implemented.
2. Cooperate with Client and other Suppliers performing a Root Cause Analysis of Incidents comprising a Problem, using all available information and facilities such as CMS and CMDB and initiating actions to improve or correct the situation.
3. Identify and consolidate problem trends and remedial actions and provide report those to the Client.
4. Ensure the effectiveness of the Problem Management Process by reduction of Incidents over time and improvements of the Problem resolution time through continuous improvement of the Problem Management Process by:
  - a) Continuously performing trend analyses on the volume and nature of Problem.
  - b) Analyzing Problems guidance or advice trends, and recommended actions.
  - c) Collating Problem information regarding suggested improvements to the Supplier's Services.
  - d) Developing an action plan on a quarterly basis to address suggested improvements.
  - e) Reviewing the action plan with the Client.
  - f) Implementing actions with the approval of the Client.

- g) Monitoring and reporting on progress and improvements made and report on the percentage of actions completed within the target completion date.

### **7.3.5 Problem logging**

The Supplier shall manage the effective entry of Problem Records into a Problem Management System, and Known Errors into Known Error Database (KEDB) and escalating to the Service Integration for Priority and approval. Associate related Incident Records or Alerts to the Problem Record.

### **7.3.6 Problem categorization**

The Supplier responsibilities shall include:

1. The Supplier shall assign a problem category as set out in the categorization schema and associate the Problem ticket to the relevant Configuration Items.
2. The Supplier shall update the CMDB/CMS in cooperation with Service Asset and Configuration Management.
3. The Supplier shall update the Service Knowledge Management System and KEDB in cooperation with Knowledge Management.
4. The Supplier shall invoke the Security procedure if the Problem is categorized as a Security Problem.

### **7.3.7 Problem prioritization**

The Supplier shall prioritize Problems, in accordance with the Priority Levels set out in Attachment J to Exhibit 1 (Priority Levels) of the ADM SOW. This includes changing Priorities if so instructed by the Client.

The Supplier shall invoke the Major Problem procedure if the Problem is prioritized as Major Problem and inform the Client.

The Supplier shall attend the regularly scheduled Problem Management meetings by the Client to prioritize the resolution of Cross-Provider Problems.

### **7.3.8 Problem investigation and diagnosis**

The Supplier responsibilities shall include:

1. Accept the initial allocation of the Cross-Provider Problems for resolution by the Client.
2. Request a Priority Level allocation from the Client should one not have been allocated for a received Problem.
3. Provide advice to the Client if the Supplier's initial investigation indicates the Priority Level should be altered.
4. Where the Problem Investigation shows that the allocation was in error, re-assign the Problem to the Client.
5. Process each Problem in accordance with the Priority Level based on Impact and Urgency and in accordance with the Resolution Times set out in the Priority

definitions as set out in Attachment J to Exhibit 1 (Priority Levels) of the ADM SOW.

6. Conduct the effective execution of the Problem investigation and diagnosis to identify the fault in the service Component that caused the Problem.
7. Conduct Problem Management Meetings and attend Problem Management Meeting as scheduled by the Client.
8. Use the CMS information to investigate point of failure and identify all components that might be affected by the same Problem and use KEDB to investigate matching historical Problems with associated Resolution.
9. Recreate failure in test environment to allow further investigation and diagnosis without user involvement or disruptions and investigate Root Causes and asses if workaround is required to resolve the Problem, if required
10. Initiate implementation of Resolution by evoking the Change management Process otherwise continue with defining a workaround, if the Resolution is cost-justified.

### **7.3.9 Raising a known error record**

The Supplier shall create a Known Error Record and document the root cause of the Problem, associate relevant CI with Known Error Record.

If a Workaround exists, associate workaround (tested and appropriately documented) in order to make it available to the Suppliers and the Client.

The Supplier shall update the related Service Knowledge Management System with all relevant information, including documented workarounds for Problems.

### **7.3.10 Problem escalation**

The Supplier shall inform the Client if Problems exceeds or are expected to exceed their target Resolution Times.

The Supplier shall escalate issues to the appropriate levels for resolution in accordance with escalation procedures approved by the Client.

### **7.3.11 Problem resolution**

The Supplier shall conduct the Problem Resolution, coordinate Problem tracking and notifications to the Client and other Suppliers incl. maintaining regular communications between all parties throughout Problem resolution.

If required, the Supplier shall open Requests for Change to implement Problem solutions.

The Supplier shall implement corrective actions identified through the Problem Management process in an expedited fashion and as defined by the Client.

### **7.3.12 Problem closure**

The Supplier shall verify with all involved parties that a Problem is resolved before recommending it for closure.

The Supplier shall report to the Client, which can be via service management tooling, each Problem that has been resolved.



The Supplier shall close and update the Problem Record with all of the details of the resolution in accordance with Problem Management policies.

### **7.3.13 Major problem review**

The Supplier shall attend and support Major Problem Review Meetings as scheduled by the Service Integration Function.

## **7.4 Request Fulfillment**

### **7.4.1 Definition**

Request Fulfillment is the process of handling (Standard) Service Requests throughout their lifecycle.

Service Requests include but are not limited to: information, advice, a Standard Change which is low risk, frequently performed, and low cost, or access to a Service.

### **7.4.2 Scope**

The Supplier shall manage and oversee the Request Fulfillment Process across its Services and collaborate with the Service Desk, Client and other Suppliers to manage the Cross-Provider Request Fulfillment Process.

The Supplier shall accept that, while some service Request may only affect the Services within the scope of the Supplier, there will be Service Request that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client, Service Desk and the other Suppliers to resolve the Incident. Therefore the Request Fulfillment activities as described in this Common Exhibit do apply to all types of Service Requests Cross-Provider and Supplier).

### **7.4.3 General Considerations**

#### **7.4.3.1 Process Set-Up and Maintenance**

The Supplier responsibilities shall include:

1. Establish and maintain a Request Fulfillment Process and Tools, in accordance to the requirements defined by the Client, for the efficient and effective handling of Service Requests.
2. Ensure all linkages and related processes operate effectively, in particular the links to pricing, invoicing and payment. The process must conform to good practice for Request Fulfillment, Client requirements and align to the Client Request Fulfillment solution, as defined, directed and approved by the Client.
3. Integrate its Request Fulfillment Process and other Service Management Processes with the Cross-Provider Request Fulfillment Process, subject to the Client's approval.
4. Retain overall responsibility for all Incidents allocated to him until the Incident is closed, subject to End User or Authorized User (Client) approval.
5. Establish and maintain Service Request allocation rules and implement allocation and closure rules subject to approval by the Client.

6. Subject to the Client's approval, establish and maintain Service Request Escalation Procedures.
7. Establish and maintain the criteria for prioritization of Service Requests, in accordance with the Priority Levels set out in Attachment J to Exhibit 1 (Priority Levels) of the ADM SOW and approved by the Client.
8. Establish and maintain, in accordance to the requirements defined by the Client, a process and mechanism for expedited handling of high prioritized Service Requests based on the assigned Priority Level, as per escalation processes described in the Service Request Process and Procedure Manual.
9. Establish and maintain Service Request Models as approved by the Client.

#### **7.4.3.2 Tooling**

1. Subject to the approval of the Client provide an automated Request Fulfillment Tool including interfaces to the Cross-Provider Request Fulfillment Tool and integration of applicable Software, Equipment, electronic mail, telephony, facsimile, and Web technologies.
2. In addition the Request Fulfillment Tool shall support the data exchange of ticketing to the Client and, where appropriate, ticketing data to other Suppliers to establish and allocate end-to-end responsibility and ownership of each Service Request to a Supplier.  
All costs of creating and operating such interfacing are the responsibility of the Supplier.
3. The requirement of the Client include at least:
  - a) Providing a sophisticated tracking mechanism
  - b) Identifying Authorized Users designated by Client as either Standard or VIP or Executive Users and enable the identification of the relevant Service Level,
  - c) Capturing and managing information pertaining to the originator, submission and management of Service,
  - d) Request assigned to it or for which it is responsible,
  - e) Including interface with billing systems for payment,
  - f) Providing an interface to the End Users Portal,
  - g) Ability to record all information on the details of the Service Request for later statistical analysis.
4. If the Suppliers uses its own tool, it shall integrate the Service Request Management Tool with the other Cross-Provider and provider Service Management Processes and Tools. The Supplier shall maintain a real time data flow and visibility with bi-directional interfaces.
5. The Supplier shall implement monitoring and reporting of risk indicators as needed to monitor trends and emerging risks arising from Service Requests, as required by the Client.

#### **7.4.3.3 Communications**

The Supplier shall facilitate and lead information exchange between and among the Suppliers, and Client.

#### **7.4.3.4 Reporting**

The Supplier shall provide status update reports and summary reports at the frequency and in a format agreed with the Client as described in Exhibit 4 (Service Reports) of the applicable SOW, and as a dashboard for service management meetings.

#### **7.4.4 Request Review**

The Supplier shall accept that the initial allocation of the Service Request to a Supplier for resolution shall be at the sole discretion of the Service Desk or the Client should the Service Desk be unable to make an initial allocation.

The Supplier shall request a Priority Level allocation from the Service Desk, should one not have been allocated for a received Service Request.

The Supplier shall provide advice to the Service Desk if the Supplier's initial review indicates the Priority Level should be altered.

Where it considers that the allocation was in error, the Supplier shall re-assign the Service Request to the Service Desk.

#### **7.4.5 Request Model Execution**

The Supplier responsibilities shall include:

1. Process each Service Request in accordance with the Priority Level allocated by the Service Desk or the Service Integration Function based on Impact and Urgency and in accordance with the Resolution Times set out in the Priority definitions specified by the Client and as set out in Attachment 2.1.2-E (Priority Levels).
2. Support the other Suppliers and Client in the resolution of a Service Request identifying solution options and identification of the Suppliers that need to conduct further investigation or activities. This shall include, but is not limited to:
  - a) Liaising with Change Management to ensure that Service Requests follow the Change Management process for Standard Changes and Requests for Change.
  - b) Liaising with Access Management to ensure that Service Requests follow the Access Management process for access to a Service.
3. Where Service Requests relate to Assets, the Supplier shall update details in the Asset Register and the CMS/CMDB, or coordinate through the relevant process to confirm updates are made.
4. Where Service Requests relate to the changing of Software or Hardware Assets, the Supplier shall update the Definitive Media Library or coordinating with the relevant process to confirm updates are made.
5. Conduct necessary tests to ensure that Service Requests are fulfilled.
6. Track and report the progress of efforts and the status of all Service Request, including:
  - a) Reviewing the proposed Resolution Time for each Service Request with the appropriate party and update the status accordingly.

- b) Coordinating Service Request tracking efforts, and providing and maintaining regular communications between all parties and Service Desk until Service Request closure.

#### **7.4.6 Request escalation**

The Supplier shall cooperate with the Client on any escalations made by the Service Desk.

The Supplier shall inform the Client if a Service Request exceed or are expected to exceed their target Resolution Times.

The Supplier shall escalate issues to the appropriate levels for resolution in accordance with escalation procedures approved by the Client.

#### **7.4.7 Request closure**

The Supplier shall after successful resolution, document resolution within the Request Fulfillment Tool and initiate Service Request closure via Service Desk.

### **7.5 Access Management**

#### **7.5.1 Definition**

Access management is the process of granting Authorized Users the right to use a service, while preventing access to Non-Authorized Users.

#### **7.5.2 Scope**

The Supplier shall manage and oversee the Access Management Process (incl. a logical Security Administration Process) across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Access Management Process. The Supplier shall manage and administer access to the Supplier-operated Services and Client Data. The Supplier shall provide consistent authorized access methods for End Users and manage requests of Client and the Client concerning the mechanisms, Processes and Tools related to Access Management to ensure that Client Information Security Policy is enforced.

The Supplier accepts that, while some Access Request may only affect the Services within the scope of the Supplier, there will be Access Requests that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers to solve the Access Request. Therefore the Access Management activities as described in this Common Exhibit do apply to all types of Access Requests (Cross-Provider and Supplier).

#### **7.5.3 General Considerations**

##### **7.5.3.1 Process Set-Up and Maintenance**

The Supplier responsibilities shall include:

1. Establish and maintain an Access Management Process in accordance to the requirements defined by the Client for its Services. The process shall include operating procedures and mechanisms as directed by the Service Integration Provider to monitor and control secure access to and from Clients'

Infrastructure, Software, Equipment, and all other data and include a step-out process that allows the provision of temporary (not to exceed eight (8) hours) system root access to persons nominated by an Authorized Approver.

The process must conform to good practice for Access Management, Client requirements and align to the Client Access Management solution, as defined and directed by the Client.

2. Integrate its Access Management Process and other Service Management Processes with the Cross-Provider Request Access Management Process, subject to the Client's approval.
3. Establish and maintain in accordance to the requirements defined by the Client, a process that enables Client the Client to exercise full administrative rights to the Systems providing the Services, including full access to audit trails and logs, subject to approval by the Client.
4. Allow Client and the Client full administrative access to audit trails and logs.
5. Establish and implement procedures, forms, and approval levels for assigning, resetting, and disabling IDs and passwords used for data, System or Services access by End Users, in accordance to the requirements defined by the Client and Client.
6. Establish and maintain a mechanism to safeguards against the unauthorized access, destruction, loss, or alteration of Client data in the possession of the Supplier. The Supplier shall implement safeguards that are consistent with the practices defined by the Client.
7. Establish and maintain an information Security approach that follows a resource-ownership concept for Security, for certifying owners, and for periodically reviewing authorized access for End Users, subject to requirements and approval by the Client.
8. Maintain Security rules and access rights in accordance with Client's instructions.

### **7.5.3.2 Tooling**

The Supplier responsibilities shall include:

1. Establish and maintain data, systems, databases, and Applications for adding, changing, and deleting user access in accordance to the requirements defined by the Client.
2. Provide Security tools. subject to the approval by the Client The Requirements of the Client at least include:
  - a) Security Monitoring, alarming, and access-tracking functionality for Systems and Software.
  - b) Providing Security access control Tools for Data, Software, and Networks in compliance with Client Information Security Policy, standards and procedures; and maintaining such Security and access control devices in proper working order.
  - c) A secure online database of all access requests, access rights, segregation of duties and approval.

- d) Where appropriate provide a secure interface for self-service password management
3. In case the Supplier uses Security tools approved but not provided by the Client, the Supplier shall integrate the Security Tools with the other Cross-Provider and Provider Service Management Processes and Tools where they interact. The Supplier shall maintain a real time data flow and visibility with bi-directional interfaces.
4. Implement monitoring and reporting of risk indicators as needed to monitor trends and emerging risks arising as agreed with the Client.

#### **7.5.3.3 Communication**

The Supplier shall communicate as specified by the Client or Service Desk with End Users and other Supplier (e.g. Service Desk) regarding Access Request.

#### **7.5.3.4 Reporting**

The Supplier shall provide a monthly report in a format approved as described in **Exhibit 4 (Service Reports) of the applicable SOW** to the Client.

#### **7.5.4 Requesting Access**

The Supplier shall receive access requests via the Service Desk in conjunction with the Request Fulfillment Process and ensure that Access Request and logged whether granted or not in a Security Management System. e.g., Request Fulfillment Tools.

#### **7.5.5 Verification of Access Request**

The Supplier shall verify that all Access Requests are approved in accordance to the procedure and policies. In case they are not approved correctly, reassign the Access Request to the Service Desk.

The Supplier shall verify if the Access Request applies to standards, if not inform the Service Desk, to request additional Information or rejects Request that do not qualify.

The Supplier shall follow the Client's instructions and the procedures regarding granting access to End Users and Suppliers. In accordance to the requirements defined by the Client.

#### **7.5.6 Providing Access Rights**

The Supplier shall be responsible (if not part of the Scope of the Service Desk Service) for adding, changing, and deleting user access to all Client, Supplier data, systems, databases, and Applications for Services in scope of the Agreement in accordance with the Client Security Policies. Such requests will include the following:

1. Creating Authorized User accounts for access to the Services or other systems, as required;
2. Changing existing Authorized User account profiles per user requests,
3. De-activating and deleting an existing Authorized User that is no longer authorized according to Client Security Policies,
4. Restricting the use of generic Authorized User identifications in accordance with Client Security Policies.



The Supplier shall be responsible for password management (if not part of the Scope of the Service Desk Service), which includes:

1. Performing Authorized User password resets in accordance with the Client Security Policies,
2. Coordinating Authorized User password changes and, subject to Client approval, changing local user identifications and passwords as required and ensuring password policy is enforced.
3. Encrypting passwords according to Client Security Policies.

The Supplier shall be responsible for elevated rights management, which includes:

1. Maintaining defined access controls for protection of System Software and Client environment resources (for example, the system control program, its access control mechanisms) and reviewing and updating periodically according to Client Security Policies,
2. Ensuring that privileged account users are only provided access necessary to perform duties assigned and that Authorized Users are not provided systems administrator access unless an exception is granted in accordance with Client Security Policies,
3. Providing designated Client personnel, Supplier personnel with supervisor-equivalent user identifications and passwords where reasonably required to provide the Services in accordance with Client Security Policies.
4. Managing critical passwords across all platforms for emergency and operational purposes such as elevating privileges, root passwords, and service account passwords.

#### **7.5.7 Monitoring Identity Status**

The Supplier shall monitor end users of the Systems and Services for authorized access, and monitor, review, and respond in a timely and appropriate manner to access violations and report findings on a monthly basis to the Client.

The Supplier shall conduct periodic reviews, as appropriate; to validate that individual employee access to programs and libraries is appropriate for Supplier's-operated Systems and report finding on a monthly basis to the Client.

The Supplier shall run monthly reports to identify to the Client those accounts that should be removed on Systems for Supplier-operated systems.

#### **7.5.8 Logging and Tracking Access**

The Supplier shall notify the Client in the event of a Security violation or unauthorized attempt to access or alters Client data, where the notification and escalation is made according to Client Information Security Policy, guidelines and procedures.

The Supplier shall providing reports on violation and access attempts, and retaining documentation of the investigation.

The Supplier shall capturing data regarding routine access and exceptions for audit trail purposes, and making such data available upon request of the Client.

### **7.5.9 Removing or Restricting Rights**

The Supplier shall under instruction from the Client, remove or restrict access rights to the Services and Systems.

The Supplier shall ensure that leaver access privileges are removed within **4 weeks** of departure or re-allocation to other Client accounts across Services, as requested by the Client.

#### **7.5.10 Maintenance of User Roles & Access Profiles**

The Supplier responsibilities shall include:

1. Enforce a user/group access right concept across Supplier as defined by the Client.
2. Enforce directory services and group policy objects standard where required, subject to approval by the Client.
3. Manage directory services and group policy objects on domains to support Client environment as agreed with the Client and other Supplier and enable other Suppliers managing group policy objects as required.
4. Manage group policy objects on domains and logon scripts to support the Client environment for Services in scope.
5. Add, change and delete Groups as per Access Request including:
  - a) Assign users to groups as per Access Requests,
  - b) Remove users out of groups as per Access Request.
6. Create, maintain and delete User Access Profiles.

#### **7.5.11 Request escalation**

The Supplier shall inform the Client if an Access Request exceed or are expected to exceed their target Resolution Times.

The Supplier shall escalate issues to the appropriate levels for resolution in accordance with escalation procedures approved by the Client.

#### **7.5.12 Access Request Closure**

The Supplier shall close Access Rights request in accordance to the closure procedure defined in the Request Fulfillment Process.

## **7.6 Service Desk Support**

### **7.6.1 Definition**

A Service Desk is the Single Point of Contact (SPOC) for End Users and deals with all Incidents and Service Requests (including requests for access) and requests for assistance on IT related issues and general advice. The primary purpose of the Service Desk is to restore normal service to End Users as quickly as possible and in accordance with Service Levels.



## **7.6.2 Scope**

The Supplier shall collaborate and cooperate with the Service Desk and other Suppliers and ensure timely and appropriate response to instructions and information supplied by the Service Desk, as defined by the Client.

## **7.6.3 General Considerations**

### **7.6.3.1 Process Set-Up and Maintenance**

The Supplier shall implement a Second Level Support structure and establish and maintain Resolver Groups as the single point of contact for the Service Desk regarding Incidents and Service Requests. The Second Level Support shall manage the handover of activities to the Third Level Support in accordance to the Service Levels defined in Exhibit 2 (Service Levels) to the applicable SOW.

The Supplier shall provide the facilities to receive information related to the operation of the Services from the Service Desk in an automated form.

## **7.6.4 Self Service**

The Supplier shall cooperate with the Service Desk to identify and implement the most applicable self service facilities.

When requested by the Service Desk, the Supplier shall share any and all data relevant (incl. preparing FAQ's) to the management of the Services with the Service Desk and Client, subject to any Security restrictions specified by the Client's IT Security department.

## **7.6.5 VIP or Executive Supports**

Supplier's responsibilities shall include:

1. Providing global support and technical VIP User Service as required by the Service Level set out in Exhibit 2 (Service Levels) and Schedule 5.1 (Service Level Methodology).
2. Allowing the Client to nominate, at its sole discretion, VIP Users.
3. Identify VIP Users' Incidents to the Resolver Group.
4. Verify that Incidents from the Service Desk for VIP Users are recognized as such at the receipt of the Incident to provide Service Desk immediate response from Supplier's Resolver Group.

## **8.0 CONTINUAL SERVICE IMPROVEMENT**

### **8.1 Definition**

The purpose of Continual Service Improvement is to manage improvements to Service performance by continually measuring/reporting and making improvements to the processes and IT Services in order to increase efficiency, effectiveness (including cost effectiveness) for the Client's Business.

## **8.2 Scope**

The Supplier shall manage and oversee the Continual Service Improvement Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Continual Service Improvement Process.

The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

## **8.3 General Considerations**

### **8.3.1 Process Set-Up and Maintenance**

The Supplier shall establish and maintain a Continual Service Improvement Process, Policies and Tools in accordance to the requirements defined by the Client for its Services. The process must conform to good practice for Continual Service Improvement, Client requirements and align to the Client Process Requirements.

The Supplier shall integrate its Continual Service Improvement Process and other Service Management Processes with the Cross-Provider Continuous Improvement Process, subject to the Client's approval.

The Supplier shall be compliant with the Client's Continual Service Improvement policy, processes and standards, as directed by the Client.

## **8.4 Identify and manage Continual Service Improvement opportunities**

The Supplier shall, as directed by the Client, implement improvement opportunities across its Services and IT Service Management lifecycle stages to realize benefits for the Client.

The Supplier shall own and manage a Continual Service improvement plan based on shortfalls or opportunities for its Services identified from its measuring reports. The Plan shall include measurable improvement targets will be regularly reviewed with the Client and the Client.

The Supplier shall provide an Improvement Plan to provide to the Client with measurable improvement targets.

## **8.5 Monitoring Improvement opportunities**

The Supplier shall ensure that baseline data is captured to measure the effectiveness of all improvements for its Service in accordance to the requirements defined by the Client.

The Supplier shall implement Continual Service Improvement activities for its Services and processes, in accordance to the Change Management Process and as directed by the Client.

The Supplier shall, on a quarterly basis, review its SIP with the Client.

The Supplier shall provide suggestions and plans regarding improvements targets that have not been achieved to the Client

## **8.6 Innovation**

Supplier shall be responsible for the performance of the following, in addition to any responsibilities stated elsewhere in this Agreement will include:



1.1 Continually present new technologies which Supplier recommends be investigated that may be used to add value to the service delivery model, lower operational cost, reduce complexity and risk, and otherwise assist in improving the collective performance of both Client's business operations, and Enterprise IT operations, and the Supplier's activities on behalf of Client.

1.2 Leverage Supplier's internal capabilities outside of the Supplier service delivery team (e.g., Supplier fellows, labs, technology service groups, alliance partners, etc.). These internal capabilities conduct significant global basic research into a variety of trends that may either enable or disrupt business models (collectively "Strategic (Business-Enabling) Innovation".

2 Deliver at least four (4) Tactical (Enabling Technology) Innovation Proposals and two (2) Strategic (Business-Enabling) Innovation Proposals each Contract Year of the Term,

2.1 Include in each Innovation Proposal a description of the Innovation, the business benefits, the cost, the method and the implementation plan.

3 Deliver an Innovation plan, within 6 months of the Commencement Date, and subsequently update the plan every six (6) months thereafter for the remainder of the Term.

3.1 Include in the Innovation Plan, a description of the activities the Supplier will undertake in order to deliver the Innovation proposals. At a minimum, the Innovation Plan will include:

3.1.1 The process and method for production of Innovation ideas

3.1.2 The process for determining which ideas to submit

3.1.3 The Governance to be used to ensure that viable Innovation proposals are produced and that they are relevant to the Business needs of Client.

3.1.4 The implementation status of each proposal delivered under the previous plans.

3.2 Include in the Innovation Plan, an Innovation Roadmap which supports Client's Technology and Business goals. Align innovation activities to Client's current IT strategies and associated roadmap projects, analyses, and priorities.

3.3 "Business Innovation" means the specific application of novel business techniques and related application of technological, process, and organizational Innovations to meet the needs and objectives of a Business entity.

3.4 - "Innovation" means an object of value and the means of identifying and introducing improvements resulting in an elevated level of business execution. Similar to building blocks, Innovation occurs in primitive components, such as discoveries that occur in labs with science. The Innovations discovered at this level become the basic building blocks used to build and configure other basic components of technology. Innovations in business, process, organization, and technology may relate to an object, or even to how it is manufactured, assembled or delivered. In either case, it is the process of creating new capabilities based on new or newly configured components and or capabilities. Finally, these new or refined components/capabilities become part of Supplier's value chain as it seeks to improve its services and products and ultimately how Innovations are applied to Client needs.

3.5 "Innovation Plan" means the elements that are described in items 3.1.

3.6 "Innovation Roadmap" means the approach that is bound by an agreed-upon and defined planning horizon, balancing dependencies, priorities, risks and resources to produce a programmed view of initiatives within and across all opportunities required to realize a future state. The initiatives within the roadmap will be prioritized and addressed in a manner that best meets Client's business. Not all identified initiatives will be acted on, and not all will result in Innovation.

3.7 "Technology Innovation" means better products and services through the unique application of new and/or improved technology.

4 Align innovation activities to Client's current IT strategies and associated roadmap projects, analyses, and priorities

4.1 Supplier shall align its activities to Client's Innovation Roadmap projects, analysis, priorities, and the contribution of content to support the Technology Innovation drivers and Business Innovation needs of Client.

## **8.7 Refresh and Technical Currency**

The Supplier shall develop as directed by the Client and annual plan for Refresh including: On a quarterly basis, review the Asset inventory and produce a report that lists the Assets that are due to be refreshed in the upcoming plan year, and provide such report to the Client.

## **9.0 SUPPORT SERVICES**

The Support Service Processes are:

- a) Risk and Compliance Management,
- b) Quality Assurance,
- c) Client Satisfaction Management,
- d) Benchmarking,
- f) Performance Analysis,
- c) Financial Management,
- d) Contract Management,
- g) Issue and Escalation Management.

### **9.1 Risk and Compliance Management**

#### **9.1.1 Definition**

Risk Management is responsible for identifying, assessing and controlling Risks (e.g. Information Security, Operational, Financial, Reputational, Country or Region, and so on). Compliance Management is the formal assurance process to determine that the Services are fully compliant with law, policy, standards or regulations and that relevant certifications (provided by an authorized or accredited organization) demonstrate the required level of competence and conformity with standards or requirements (includes Supplier audit).

#### **9.1.2 Scope**

The Supplier shall manage and oversee the Risk and Compliance Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Risk Management Process.

The Supplier accepts that, while some Risk and Compliance Management activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

### **9.1.3 General Considerations**

#### **9.1.3.1 Process Set-Up and Maintenance**

The Supplier responsibilities shall include:

1. Establish and maintain a Risk and Compliance Management Process in accordance to the requirements defined by the Client for its Services. The process must conform to good practice for Risk Management, Client requirements and aligned to the Client Risk and Compliance Management solution, as defined and directed by the Client.
2. Integrate its Risk and Compliance Management Process with the Cross-Provider Risk and Compliance Management processes, where the processes interact.
3. Integrate its Risk and Compliance Management and other Service Management Processes with the Cross-Provider Risk and Compliance Management Process, subject to the Client's approval.
4. Establish and maintain a common Risks and Controls Framework for its Services, in accordance to the requirements define by the Client and Client.
5. Proactively design, document and implement its own controls that mitigate or prevent risks in its Services to the Client's interests. In addition the Supplier shall design, document and implement controls as directed by the Client that meet the Clients control objectives/requirements.
6. Assist the Client to prepare proposals for approval by the Client that meet the Client's control objectives/requirements for changes to existing key controls or new key controls to prevent or mitigate risks.
7. Implement internal assurance activities to confirm the effectiveness of key controls in the Supplier's operations, as directed by the Supplier.
8. Implement key controls, and changes to existing controls, to address risks as directed by the Client.

#### **9.1.3.2 Tooling**

The Supplier shall implement and maintain a standard Operational Risk Register for its Services as directed by the Client.

The Supplier shall implement and maintain standard tools and processes for risk management as determined by the Risks and Controls Framework and Client.

#### **9.1.3.3 Reporting**

The Supplier shall provide regular risk reporting input as defined by Client and Risks and Controls Framework.

The Supplier shall establish and maintain on-going monitoring of the operations for its Services, in accordance to the requirements defined by the Client, for change and emerging risks and trends which includes implementing risk indicators across its Services to assist in the monitoring and reporting and escalating these trends, changes and emerging risks to the Client and Client.

#### **9.1.3.4 Compliance Management**

The Supplier shall provide Auditing activities in accordance to the Master Service Agreement.

The Supplier shall facilitate the activities of Client, Client, auditors or regulators in conducting assurance activities on the design and effectiveness of key controls across its Services and report on the activities to address any control weaknesses identified in the assurance activities to the Client.

The Supplier shall implement remedial actions resulting from audits in cooperation with the Client and the Client.

#### **9.1.3.5 Risk Monitoring, Identification and Reporting**

The Supplier shall identify and report risks, including the service impact assessment. This shall include:

1. Providing monthly reports, and attend monthly reviews with the Client of the effectiveness of key controls to ensure compliance with regulations and Client policies;
2. Attending regular, formal risk assessments (at least quarterly and including trend, SPOF analyses) with the Client and Client.

#### **9.1.3.6 Risk Prevention and Mitigation**

The Supplier shall take appropriate proactive and preventative remediation actions to prevent or mitigate new or emerging risks as defined by the Client.

The Supplier shall manage all risks assigned by the Client, including identifying and implementing treatments to mitigate the risks.

#### **9.1.3.7 Risk Governance**

The Supplier shall support the appropriate Governance meetings as defined in Schedule 9.1 (Governance) with specific risk content and input.

Support the appropriate Governance meetings as defined in Schedule 9.1 (Governance) with specific risk content and input.

### **9.2 Quality Assurance**

#### **9.2.1 Definition**

The purpose of Quality Assurance is to maintain and gradually improve Business-aligned Service quality.

#### **9.2.2 Scope**

The Supplier shall manage and oversee the Quality Assurance Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Risk Management Process.

The Supplier accepts that, while some Quality Assurance activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

### **9.2.3 General Considerations**

#### **9.2.3.1 Process Set-Up and Maintenance**

The Supplier responsibilities shall include:

1. Establish and maintain a Quality Assurance program, in accordance with the Client requirements including tools and processes to provide quality services, which are at a level consistent with acceptable industry practices and Client's current standards.
2. Integrate its Quality Assurance Process with the Cross-Provider Quality Assurance processes, where the processes interact.
3. Integrate its Quality Assurance Process with the Cross-Provider and its Service Management Processes.
4. Establish and maintain procedures and measurements for all Quality Assurance activities as directed by the Client and provide evidence to the Client that the quality metrics and procedures employed are consistent with similar standards in the Client's peer group and/or in the provision of similar professional services

#### **9.2.3.2 Tooling**

< Tool support to be determined >

#### **9.2.3.3 Reporting**

The Supplier shall provide regular Quality Assurance Reporting input as defined by Client and the Quality Assurance Program.

#### **9.2.3.4 Conduct assurance**

The Supplier's responsibilities shall include:

1. Ensuring compliance with the Client approved Quality Assurance program, with adequate internal controls and verification activities;
2. Allowing the Client or Client to perform audits that will focus on the Supplier's adherence to its Quality Assurance procedures and standards, on the metrics gathered to support Quality Assurance activities, and on the Supplier's efforts to improve overall quality. The Supplier shall cooperate fully and assist the Client or the Client with any such audits.

### **9.3 Client Satisfaction**

#### **9.3.1 Definition**

Process to define objectives for and analyze status of Client Satisfaction. The process includes the identification of root causes of potential dissatisfactions and the derivation of measures to attain the desired level of Client satisfaction.

#### **9.3.2 Scope**

The Supplier shall manage and oversee the Client Satisfaction Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Client Satisfaction Process. The Supplier accepts that, while some Assurance activities may only



affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

### **9.3.3 General Considerations**

#### **9.3.3.1 Process Set-Up and Maintenance**

The Supplier shall establish and maintain a Client Satisfaction Survey processes as agreed with the Client and in accordance with Schedule 5.4 (Client Satisfaction Surveys) which integrates to the Cross-Provider Client Satisfaction Survey processes

Supplier shall work with the Client to develop action and improvement plans to address deficiencies and managing the implementation of such plans as approved by the Client.

#### **9.3.3.2 Reporting**

The Supplier shall perform Client Satisfaction Surveys and provide Client Satisfaction Survey results and reports in accordance with Schedule 5.4 (Client Satisfaction Surveys) to the Client

## **9.4 Benchmarking**

### **9.4.1 Definition**

Benchmarking is the Process that manages benchmarking activities to monitor Supplier's performance against industry standards, as stipulated in the contract.

### **9.4.2 Scope**

The Supplier shall manage and oversee the benchmarking Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Benchmarking Process.

### **9.4.3 General Considerations**

#### **9.4.3.1 Process Set-Up and Maintenance**

The Supplier shall establish and maintain a Benchmarking Process.

#### **9.4.3.2 Reporting**

The Supplier shall provide Benchmarking to the Client

## **9.5 Performance Analysis**

### **9.5.1 Definition**

Performance Analysis is the process to analyze, review, record and report on Supplier performance specifically with respect to contracted service levels of performance.





## **9.5.2 Scope**

The Supplier shall manage and oversee the Performance Analysis Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Performance Analysis Process.

## **9.5.3 General Considerations**

### **9.5.3.1 Process Set-Up and Maintenance**

The Supplier shall establish and maintain a Performance Analysis Process, in accordance with the Client requirements including tools and processes to ensure that Performance across its Service specifically with respect to contracted service levels of performance, is managed and controlled.

The Supplier shall deliver Performance data in accordance with the Client requirements and obligations set out in the Agreement(s) on a monthly basis.

## **9.6 Financial Management**

### **9.6.1 Definition**

Financial Management will provide cost-effective stewardship of the IT Assets and the financial resources used in providing Services.

### **9.6.2 Scope**

The Supplier shall provide Financial Management Services as described in Exhibit 3 (Pricing) of the applicable SOW.

### **9.6.3 General Considerations**

#### **9.6.3.1 Process Set-Up and Maintenance**

The Supplier shall establish and maintain the Financial Processes in accordance with Schedule 9.1 (Governance), subject to approval by the Client.

#### **9.6.3.2 Reporting**

The Supplier shall provide information and advice that assists the Client to:

1. Demonstrate the current value of the Services,
2. Identify the past and potential value of the Services,
3. Determine provisioning costs,
4. Prioritize the focus of service development and Change,
5. Implement service Changes to capture value or cost benefits.

The Supplier shall proactively support the Client in the Financial Analysis and Reporting as described in Exhibit 3 (Pricing) of the applicable SOW and comply with the Client processes as they evolve.

The Supplier shall report on the volumes and Resource Units, as described in Exhibit 3 (Pricing) of the applicable SOW, consumed by the Supplier's Services on a monthly basis to the Client or Client.



Hydro One

**REQUEST FOR PROPOSAL**

**SCY-7000003720**

**ATTACHMENT A TO COMMON EXHIBIT 2.2**

**ASSET INVENTORY DATA ELEMENT REQUIREMENTS**

**CROSS-FUNCTIONAL SERVICES ITO**

**NOVEMBER 7, 2013**

This document contains confidential and proprietary information of Client. Except with the express prior written permission of Client, this document and the information contained herein may not be published, disclosed, or used for any other purpose.

**Supplier Guidelines**

This Exhibit of the RFP contains specific information supplied by Client for the Supplier's use when responding to the RFP.

**Supplier Instructions**

Refer to Part 4B and Part 5 of the RFP instructions.

## **1.0 ASSET INVENTORY DATA ELEMENT REQUIREMENTS**

The following is a list of the minimum Asset Inventory Data Elements that will be provided as part of the Supplier's Solution

1. Site code (code to be approved by Client and to include a designation indicating a Client Site or Supplier location).
2. Physical address where Equipment or Software is located (including floor or department designation, as necessary).
3. Designation of asset type – Equipment, Software or other.
4. Standard/non-standard designation.
5. Mission-critical designation (to be provided by Client).
6. Unique bar code identification number.
7. Equipment or Software manufacturer and model number.
8. Peripherals description.
9. Upgrades.
10. Operating System Software and version number.
11. Application Software and version number.
12. Network protocol.
13. Designation of owned, leased, or licensed, as well as designation of financial responsibility for the asset (Client or the Supplier).
14. Ownership and in-service date (provided by Client for existing assets).
15. Lease holder and lease term (provided by Client for existing assets).
16. The name of the Third-Party Vendor providing maintenance, as well as contact information.
17. Client Authorized User utilizing the asset.
18. Business unit/department number (provided by Client).
19. Phone number (provided by Client).
20. Assigned IP address.
21. Faceplate ID.
22. Hub port.
23. Comments related to the underlying asset.



Attachment 13

**HYDRO ONE**

**REQUEST FOR PROPOSAL**

**SCY-7000003720**

**ATTACHMENT C TO COMMON EXHIBIT 2.2**

**BUSINESS IMPACT ASSESSMENT DESCRIPTION**

**CROSS FUNCTIONAL SERVICES (ITO)**

**NOVEMBER 7, 2013**

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## Attachment 13

### **SUPPLIER GUIDELINES**

This Attachment of the RFP contains specific information supplied by Client for the Supplier's use when responding to the RFP.

#### **Supplier Instructions**

Refer to Part 4B and Part 5 of the RFP instructions.

Insert language as appropriate where marked in the document: "[Supplier to insert text.]".



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## Client Requirement

### 1.0 INTRODUCTION

Hydro One requires the Supplier to develop a Supplier Business Impact Assessment ("SBIA") prior to the development of the Supplier Business Continuity. The SBIA is based on the Supplier's review of the Client Business Impact Assessment and the Supplier's analysis of the criticality and the risks for the business functions that are identified in the Client Business Risk Assessment.

This Attachment 2.2-C requires the Supplier to describe their methodology associated with the Supplier's Business Impact Assessment process and delineates the steps required to close any gaps identified by the Supplier.

The Supplier will document and perform the procedures specified herein and will conduct all reasonable effort necessary to accomplish the resumption of business processes

### 2.0 SUPPLIER BUSINESS IMPACT ASSESSMENT SERVICES

#### 2.1 Overview

Supplier will provide detail on its Business Impact Assessment approach and procedures.

[Supplier To Insert Text.]

Client will specify continuity requirements and priorities. This information will be in the Client Business Impact Assessment.

#### 2.2 Supplier Business Impact Assessment

Supplier will propose a Business Impact Assessment approach to study of the risks associated with a disruption would have on Client's business operations, brand, profitability and regulatory compliance.

The SBIA and its approach will be in accordance with good industry practice. The approach must be approved by the Client. If the proposed SBIA approach is not acceptable, then the Client will specify the required SBIA approach.

The SBIA will include but not be limited to the following components:

- i. Business unit profile
- ii. Threat identification
- iii. Risk assessment
- iv. Qualitative and quantitative impact assessment
- v. Inter-dependencies
- vi. Alternate work location considerations
- vii. Technology dependencies.





Attachment 13

**HYDRO ONE**

**REQUEST FOR PROPOSAL**

**SCY-7000003720**

**ATTACHMENT D TO COMMON EXHIBIT 2.2**

**BUSINESS CONTINUITY PLAN DESCRIPTION**

**CROSS FUNCTIONAL SERVICES (ITO)**

**NOVEMBER 7, 2013**

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## Attachment 13

### **SUPPLIER GUIDELINES**

This Attachment of the RFP contains specific information supplied by Client for the Supplier's use when responding to the RFP.

### **Supplier Instructions**

Refer to Part 4B and Part 5 of the RFP instructions.

Insert language as appropriate where marked in the document: "[Supplier to insert text.]".



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## Client Requirement

### 1.0 INTRODUCTION

Hydro One requires the Supplier to develop a Business Continuity Management Plan, which will become an integral part of its Supplier Business Continuity Management, that conforms to the principles and requirements set out in the ITIL Framework. The Supplier Business Continuity describes how the Supplier will defend the business against a range of potential risks and to be able to rebuild the business organization after the occurrence of continuity or disaster events

This Attachment 2.2-D describes the procedures associated with the Supplier Business Continuity Plan and delineates the steps required to restore business processes following a disruption, when affected by an Outage.

The Supplier will document and perform the procedures specified herein and will conduct all reasonable effort necessary to accomplish the resumption of business processes

### 2.0 SUPPLIER BUSINESS CONTINUITY MANAGEMENT SERVICES

#### 2.1 Overview

Supplier will provide detail on its Business Continuity Management approach and procedures. Elaborate in detail your BCM solution for each site from which you will be performing Services.

[Supplier To Insert Text.]

Supplier is required to provide detailed information on its use of Third Parties to assist with Business Continuity Management.

[Supplier To Insert Text.]

The Supplier Continuity Plan ("SBCP") will comprehensively document Supplier's Business Continuity Management obligations as for all operations directly or indirectly engaged in providing the Services. The SBCP will specify defined plans to ensure a controlled and coordinated response to business interruptions or disasters in order to minimize the impact and duration of any reduction of the quality or interruption of the Services, and comprehensive audit and testing regimes for all elements of the SBCP to demonstrate their adequacy and efficacy. The Continuity Plan will include but not be limited to the following contents:

- (i) Identification of roles and responsibilities during an event
- (ii) Immediate response procedures
- (iii) Event declaration and communication protocol
- (iv) Contact and Command Centre information

## Attachment 13

- (v) Recovery and Alternate work location logistics
- (vi) Return and rebuild components.

The continuity plan will also include activation of manual workarounds in the event of business process disruptions, or business technology failures and/or until technology planned to be invoked in a disaster event or continuity event, is invoked.

To the extent that it is reasonably practicable, all Supplier's Business Continuity Management strategy, planning, implementation of processes, and resource utilization shall be integrated with those of Client to minimize planning interfaces and to develop effective and coordinated responses to Client's business recovery requirements.

Client will specify continuity requirements and priorities. This information will be in the Client Business Impact Assessment.

Subsequent to the Client Approval of the Supplier Business Impact Assessment, the Supplier will produce a draft SBCP for review and approval by Client as specified in the Agreement.

Supplier will incorporate Client's comments (if any) and complete the final version as specified in the Agreement.

## 2.2 Supplier Business Continuity Plan

Supplier will utilize the Client Business Impact Analysis to study of the risks associated with a disruption would have on Client's business operations, brand, profitability and regulatory compliance ("**Supplier Business Impact Analysis**"). Supplier will prepare a SBCP as defined in the Agreement for Services based on the Business Impact Analysis and the requirements set out in this schedule and provide it to Client for review and approval.

In preparing and implementing the SBCP, Supplier will ensure that the SBCP provides Client with at least the equivalent business continuity that Client had in place before the Effective Date, regardless of where the Services are being provided from.

The SBCP will be in accordance with good industry practice and at a minimum, will:

- (a) contain business impact analysis and prioritise critical business processes.
- (b) set out an appropriate framework, structure and continuity plan components that best addresses Client's business continuity and resumption requirements.
- (c) set out risks, mitigation strategies and control.
- (d) identify the common elements of plausible disruptions that might severely disrupt critical or important business operations and anticipating the effect of such disruptions.

- (e) identify and analyse the various recovery strategy alternatives for the priority business processes based on the findings of Client Business Impact Analysis.
- (f) provide a list of key contacts and notification procedures for Client, Supplier and Third Party vendor personnel, and provide a single point of contact for SBCP related communications and other activities that are the Supplier's responsibility.
- (g) define a Supplier Business Continuity organisation structure with roles and responsibilities.
- (h) provide details of an awareness and training program.
- (i) set out the criteria for declaration of a Disaster.
- (j) set out the resources requirements to deploy, conduct, supervise and administer the operation and implementation of the SBCP.
- (k) include a communication plan.
- (l) include a coordination plan – internal and with Third Parties.
- (m) provide testing processes which address:
  - (i) the establishment of joint test objectives with Client for SBCP.
  - (ii) detailed testing procedures including frequency of conducting such tests.
  - (iii) scheduling of Disaster simulation testing dates with Client's prior approval and giving Client and its representatives have the opportunity to observe and participate in the tests. and
  - (iv) reporting test results.
- (n) sets out a process for conducting post-Disaster Analysis in order to understand the cause of the Disaster, and develop plans to eliminate or mitigate future occurrences.
- (o) document contingent responses so that recovery from these interruptions can occur as quickly as possible.

The SBCP as well as future modifications to such plans are subject to approval by Client before implementation.

## **2.3 Updating the Supplier Business Continuity Plan**

The SBCP will be reviewed and updated at least once per annum.



## Attachment 13

Supplier shall ensure that the SBCP satisfies and continues to satisfy all relevant Regulatory Requirements for disaster recovery and business continuity. Supplier shall regularly and promptly review and update the SBCP in response to the following:

- 1.1. Changes in process or strategy in:
  - 1.1.1. Business processes or priorities
  - 1.1.2. Technology and support requirements OR
  - 1.1.3. Disaster recovery strategy or resumption chronologies
- 1.2. Changes in supporting information in:
  - 1.2.1. System or data inventories
  - 1.2.2. Plan-supporting data OR
  - 1.2.3. Personnel details
- 1.3. Changes to remedy deficiencies in the SBCP, including those identified in testing the SBCP.

## 2.4 Business Continuity Testing

Supplier shall ensure that the SBCP is subject to a comprehensive testing and exercising regime, including the network communications between the contingency site and each site to or from which the Services are provided or would be provided in response to any Risk Event, to ensure continued adequacy and efficacy, which shall take place at reasonable regular intervals and in any event, at least once in every calendar year.

Supplier will develop a SBCP test plan at least annually that will include and that is not limited to the frequency, scope, dates, testing periods, and test success criteria for each SBCP test.

Supplier will produce a draft SBCP test plan within one (1) month of the SBCP being finalized (as described in Section 2.2 above).

Supplier will incorporate Client's comments (if any) and complete the final version of the SBCP test plan within three (3) months of the SBCP being finalized.

Supplier shall conduct tests of the SBCP at times outside of Client's normal business hours, and ensure that such tests will not affect the Services, which will continue to be provided in accordance with the Service Levels.

Supplier shall deliver to Client the test results of each SBCP test against the test success criteria within ten (10) Business Days of the conclusion of the test.

Supplier shall, within four weeks of the conclusion of each test:

- (a) Deliver to Client an action plan for Supplier to fulfill each of the criteria which was not achieved during the testing ("Exceptions"); and

- (b) Repeat the parts of the SBCP tests to which the Exceptions relate in accordance with a new agreed testing plan.

If, following the repeat of that part of the SBCP tests to which the Exceptions relate, the relevant criteria are still not fulfilled, then Supplier shall re-test the SBCP within four weeks or subject to agreement with Client.

### **3.0 BUSINESS CONTINUITY EXECUTION**

#### **3.1 Response Times**

Supplier will restore all affected parts of the Services in accordance with the business priority response times documented within the Client Business Impact Assessment and in accordance with the agreed SBCP. These Attachments are subject to further review and revision.

### **4.0 GOVERNANCE**

#### **4.1 Reporting**

Supplier will provide quarterly reporting on Business Continuity Management, SBCP, and SBCP testing in a format to be agreed with Client.

Supplier to provide an example of the information that would be provided to Client on a quarterly basis.

[Supplier To Insert Text.]



**ATTACHMENT 14**



**HYDRO ONE**

**REQUEST FOR PROPOSAL**

**SCY-7000003720**

**COMMON EXHIBIT 2.3**

**STATEMENT OF WORK**

**CROSS FUNCTIONAL SERVICES (NON-ITO)**

**NOVEMBER 7, 2013**

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**Supplier Guidelines**

This Exhibit of the RFP contains specific information supplied by Client for the Supplier's use when responding to the RFP.

**Supplier Instructions**

Refer to Part 4B and Part 5 of the RFP instructions.

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## **1.0 INTRODUCTION**

This Exhibit sets forth the Cross-Functional Services that the Supplier will provide, in addition to those described in the Common Exhibit 2.1 Cross-Functional Services (General), and describes its obligations to work with the other Suppliers and the Client to deliver Cross-Functional Services to the Client, as of the Commencement Date unless otherwise specified in other Exhibits, for all Services that affect it and other Suppliers.

## **2.0 GENERAL REQUIREMENTS**

The Supplier's responsibilities will include:

1. Communicate any policy or regulatory related issues back to Client and retain the responsibility for resolving all issues within Supplier control.
2. Provide input to Client on policy change opportunities, proposed policy changes, industry direction, legislative or statutory/regulatory changes and how such changes will impact then-current work processes and systems.
3. Ensure that existing and new policies and procedures, legislative and statutory/regulatory requirements are incorporated into the work processes and systems in a timely and quality manner.
4. Ensure that Client established policy guidelines are followed and report policy and procedure and statutory/regulatory exceptions promptly to Client.
5. Comply with Client systems security, physical security and access confidentiality/privacy policies and procedures.
6. Support Client internal compliance reviews and internal audit, third party and external auditors to ensure compliance with existing Client rules and requirements.
7. Back up and store data per Client data back up and retention policies.

## **3.0 BUSINESS PROCESS SUPPORT**

The Supplier's responsibilities will include:

1. Review all business requirements, changes and related communications documents.
2. Ensure compliance, exception management, quality monitoring and ongoing process improvement for processes associated with the Services.
3. Provide subject matter expertise for proposed business process changes or business process related to inquiries related to the Services.
4. Document business requirements to support business process changes.

5. Continually update and maintain work instructions, OPMs and other operational materials, such as, training materials and agent knowledge base.
6. Retain documents (record) of business requirements and business processes changes for all changes (versions).
7. Operationalize business process changes on a timely basis.
8. Supplier will implement and deliver Client small business changes in accordance with Client requests utilizing Discretionary Hours as specified in Exhibit 4 (Pricing and Financial Provisions).
9. Ensure all access to OPM and policies are effectively controlled and Supplier's resources making preapproved changes to OPM are trained and authorized to make such changes to OPM documentation.
10. Store such documentation in an electronic repository, provide web-enabled access by authorized users and Client, and provide effective indexing, searching, and version control of such content.
11. Audit documentation regularly, but no less than annually, for completeness and accuracy, and verify that documentation is present, organized, readable, and updated.
12. Report resultant audit findings to Client on a regular basis, and where it is determined that documentation is inaccurate (e.g. erroneous or out of date); correct and replace such documentation.

#### **4.0 CHANGE MANAGEMENT**

The goal of Change Management is to enable beneficial changes to be made with minimal disruption to the Services. Change Management ensures that Changes are deployed in a controlled way, such that they are evaluated, prioritized, planned, tested, implemented and documented. Supplier systems which are used to deliver the services shall be subject to the change management provisions described in this section.

The Supplier's responsibilities will include:

1. Establish and maintain a Change Management Process in accordance to the requirements defined by the Client for its Services.
2. Implement changes in accordance with the Change Management Process.
3. Integrate its Change Management Process and other Service Management Processes with the Cross-Functional Change Management, subject to the Client's approval.
4. Allow the Client, at any time at its discretion, to specify "freeze" periods during which the Supplier shall not make any Changes.
5. Document the Change Management Process and procedures in accordance with the requirements subject to approval by the Client.
6. Respond to Change Requests from Authorized Users and make Changes based on approved procedures.

7. Coordinate Change Management activities across all functions including Client's sites and other Third Party Vendors providing services to Client.
8. In an emergency, implement, document, and provide report to Client of temporary Changes if the Supplier has been unable to obtain approval from Client.
9. Notify Client of outages and problems on Critical Systems used to provide the Services.
10. Report the status of scheduled Changes including maintaining a comprehensive list of projects and dates.
11. Provide notice to Client of maintenance to be performed on Critical Systems used to provide the Services.
12. Provide notice in advance to Client when scheduled maintenance windows for Critical Systems used to provide the Services are changed and ensure operations schedules are reorganized to continue business as usual.
13. Maintain clear ownership for individual components of Changes throughout the Change Process, as specified by the Client.
14. Provide, as directed by the Client, necessary information from the time a Change is recorded through to the closure, also providing any follow-up communications and report work required post-resolution to the Client and to other Parties.
15. Provide status update reports and summary reports at the frequency and in a format agreed with Client as described in Exhibit 13 (Service Reports), and as a dashboard for Service Management meetings.

## **5.0 KNOWLEDGE MANAGEMENT**

The purpose of the Knowledge Management Process is to share perspectives, ideas, experience and information; to ensure that these are available in the right place at the right time to enable informed decisions; and to improve efficiency in delivery of services by reducing the need to rediscover knowledge.

The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Functional Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

The Supplier's responsibilities include:

1. Manage the Knowledge Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Functional Knowledge Management Process.
2. Establish and maintain a Knowledge Management Process in accordance with the requirements defined by the Client for its Services. The process must conform to good practice for Knowledge Management, Client requirements and align to the Client Knowledge Management solution, as defined and directed by the Client.

3. Integrate its Knowledge Management Process and other Service Management Processes with the Cross-Functional Knowledge Management Process, subject to the Client's approval.
4. Manage and execute an ongoing knowledge transfer process, in accordance with the requirements defined by the Client by conducting analysis to identify knowledge gaps between the department or person in possession of the knowledge and those in need of the knowledge.
5. Provide a Knowledge Management tool that hosts all employee communications including, work instructions, scripting and messaging, training and Q&A documentation.
6. Provide Client with access to the Knowledge Management tool. Supplier shall not unreasonably limit Client's access to the Knowledge Management tool.
7. Secure and protect the Knowledge Management Tool and its contents.

## **6.0 INCIDENT MANAGEMENT**

Incident Management is the process that handles all Incidents, which may be failures, faults, or bugs reported by Authorized Users (through the Service Desk) or technical staff, or which are automatically detected and reported by monitoring tools (through Event Management).

Incident Management handles all Service-affecting Incidents and restores the Service as quickly and efficiently as possible to the required Service Levels while minimizing any adverse impact on business operations.

The Supplier shall provide Incident resolution support and accepts that, while some Incidents may only affect the Services within the scope of the Supplier, there will be Incidents that apply across the Cross-Functional Services and require cooperation and joint work between the Supplier, Client and the other Suppliers to resolve the Incident. Therefore the Incident Management activities as described in this Exhibit do apply to all types of Incidents (Cross-Functional and Supplier).

The Supplier's responsibilities will include:

1. Manage and oversee the Incident Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Functional Incident Management Process.
2. Establish and maintain an Incident Management Process including Root Cause Analysis, in accordance to the requirements defined by the Client for its Services that will restore Service operation with all reasonable speed, within Service Levels and with minimum disruption to the Business. The process must conform to good practice for Incident Management, Client requirements and align to the Client Incident Management solution, as defined, directed and approved by the Client.
3. Integrate its Incident Management and other Service Management Processes with the Cross-Functional Incident Management Process, subject to the Client's approval.
4. Retain overall responsibility for all Incidents allocated to him until the Incident is closed, subject to End User or Authorized User (Client) approval.

5. Define and implement measures to avoid reoccurrence of Incidents in its Services. This includes initiating the Problem Management and Change Management Procedure to remediate faults in its Services or Cross-Functional Services, within the Client agreed timeframe, as directed by the Client.
6. Support the Client in ensuring the reduction of Incidents over time and improvements of the Incident resolution time by:
  - 6.1. Providing Incident information regarding suggested Service improvements to the Client.
  - 6.2. Developing an action plan on a quarterly basis to address suggested improvements.
  - 6.3. Reviewing the action plan together with the Client and implementing actions as approved by the Client.
  - 6.4. Monitoring and reporting the progress and improvements made and reporting on the percentage of actions completed within the target completion date to the Client.
7. Establish and follow Incident Escalation Procedures as provided by the Client.
8. Support the communication process defined by the Client.

## **7.0 PROBLEM MANAGEMENT**

The primary objective of Problem Management is to prevent Incidents, to eliminate repeating Incidents, remediate the effects of the Incident and to minimize the impact of Incidents that cannot be prevented.

Problem Management is responsible to drive problem investigation and manage all Problems end-to-end.

The Supplier accepts that, while some Problem may only affect the Services within the scope of the Supplier, there will be Problem that apply across the Cross-Functional Services and require cooperation and joint work between the Supplier, Client and the other Suppliers to resolve the Problems. Therefore the Problem Management activities as described in this Exhibit do apply to all types of Problems (Cross-Functional and Supplier).

The Supplier shall manage and oversee the Problem Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Functional Problem Management Process.

The Supplier responsibilities will include:

1. Establish and maintain a Problem Management Process, in accordance to the requirements defined by the Client for its Services. The process must conform to good practice for Problem Management, Client requirements and align to the Client Problem Management solution, as defined and directed by the Client.
2. Integrate its Problem Management and other Service Management Processes with the Cross-Functional Problem Management Process, subject to the Client's approval.



3. Retains overall responsibility for all Problems allocated to the Supplier until the Problem is closed, subject to Client's approval.
4. Establish and maintain Problem allocation rules and procedures, as defined by the Client.
5. Define and implement measures to avoid unnecessary reoccurrence of Problems for its Services.
6. Regularly survey Incidents to identify reoccurring Incidents for which the cause is unknown and any action that can be taken to identify the root cause and resolution include:
  - 6.1. Identifying Incident trends and developing remedial action plans.
  - 6.2. Identifying single point of failure from Incidents and proposing remedial action plans.
  - 6.3. Proactive analysis identifying faults that may lead to Incidents,
  - 6.4. Undertaking weekly reviews of Incident Management performance and Root Cause Analysis information and with the Client and other Suppliers to identify preventative measures to reduce the frequency of Incidents.
  - 6.5. Implementing the preventative measures identified above, are implemented.
7. Cooperate with Client and other Suppliers performing a Root Cause Analysis of Incidents comprising a Problem.
8. Identify and consolidate problem trends and remedial actions and provide report those to the Client.
9. Ensure the effectiveness of the Problem Management Process by reduction of Incidents over time and improvements of the Problem resolution time through continuous improvement of the Problem Management Process by:
  - 9.1. Continuously performing trend analyses on the volume and nature of Problem.
  - 9.2. Analyzing Problems guidance or advice trends, and recommended actions.
  - 9.3. Collating Problem information regarding suggested improvements to the Supplier's Services.
  - 9.4. Developing an action plan on a quarterly basis to address suggested improvements.
  - 9.5. Reviewing the action plan with the Client.
  - 9.6. Implementing actions with the approval of the Client.
  - 9.7. Monitoring and reporting on progress and improvements made and report on the percentage of actions completed within the target completion date.

## **8.0 REQUEST FULFILLMENT**

Request Fulfillment is the process of handling Service Requests throughout their lifecycle.

Service Requests include but are not limited to: information, advice, a Standard Change which is low risk, frequently performed, and low cost, or access to a Service.

The Supplier shall accept that, while some Service Requests may only affect the Services within the scope of the Supplier, there will be Service Requests that apply across the Cross-Functional Services and require cooperation and joint work between the Supplier, Client, Service Desk and the other Suppliers to fulfill the Service Request. Therefore, the Request Fulfillment activities as described in this Exhibit do apply to all types of Service Requests: Cross-Functional and Supplier.

The Supplier responsibilities will include:

1. The Supplier shall manage and oversee the Request Fulfillment Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Functional Request Fulfillment Process.
2. Establish and maintain a Request Fulfillment Process, in accordance to the requirements defined by the Client, for the efficient and effective handling of Service Requests.
3. Ensure all linkages and related processes operate effectively. The process must conform to good practice for Request Fulfillment, Client requirements and align to the Client Request Fulfillment solution, as defined, directed and approved by the Client.
4. Integrate its Request Fulfillment Process and other Service Management Processes with the Cross-Functional Request Fulfillment Process, subject to the Client's approval.
5. Subject to the Client's approval, establish and maintain Service Request Escalation Procedures.
6. Establish and maintain, in accordance to the requirements defined by the Client, a process and mechanism for expedited handling of high prioritized Service Requests based on the assigned Priority Level, as per escalation processes described in the Service Request Process and Procedure Manual.
7. Supplier will implement and deliver Client Service Requests in accordance with Client requests utilizing Discretionary Hours when requested by Client, as specified in Exhibit 4 (Pricing and Financial Provisions).

## **9.0 OPERATIONAL IMPACT OF PROJECT OR REQUEST FOR SERVICE IMPLEMENTATION**

1. The implementation of a project or a Request for Service may cause an increase or a decrease in Supplier's effort to deliver the Services
2. Client may require Supplier to implement a project which has been mandated ("mandated projects") prior to Client and Supplier being able to assess the effect of the project or Request for Service implementation on the Services.
3. In such cases:

- 3.1. Supplier will implement the project promptly.
- 3.2. Supplier will apply good faith and commercially reasonable efforts to optimize the process efficiencies in performance of the work incorporating such project.
- 3.3. If, after a stabilization period of no less than 90 days after implementation ("Stabilization Period"), Supplier has experienced a sustained increase in the resources required to deliver the Services, Supplier will present data to Client demonstrating the operational effect of such project and Supplier's efforts during the Stabilization Period to mitigate the project's impact.
  - 3.3.1. If appropriate, Supplier will prepare a Change Request to mitigate the remaining impact. The Parties will work in good faith to negotiate and execute a Change Request which addresses the operational impacts to the satisfaction of both parties.
- 3.4. If, after a stabilization period of no less than 90 days ("Stabilization Period"), Supplier has experienced a sustained decrease in the resources required to deliver the Services, Supplier will present data to Client demonstrating the operational effect of such project and Supplier's efforts during the Stabilization Period to maximize the project's benefit.
  - 3.4.1. If appropriate, Supplier will prepare a Change Request to utilize any saved resources elsewhere to the benefit of the Client or to reduce the ongoing requirement needs and associated costs to provide the Services. The Parties will work in good faith to negotiate and execute a Change Request which addresses the operational benefit to the satisfaction of both parties.

## **10.0 USER ACCEPTANCE TESTING (UAT)**

Client may request Supplier to perform UAT on a change to a Client-provided system which is used by Supplier. Such requests may be processed via a project or a Request for Service. In the event that Supplier is asked to perform UAT, Supplier's responsibilities include:

1. Design, conduct or otherwise participate in User Acceptance Testing in support of the Services, when required.
2. Plan, provide resources, or otherwise support User Acceptance Testing to ensure that changes to systems, tools, processes or functionality supporting the Services are appropriately tested prior to implementation.
3. Perform UAT promptly such that the project objectives and timelines are met.
4. Client reserves the right to implement change to Client-provided systems which are used by Supplier without requesting Supplier to perform UAT on such change.
5. If Supplier is asked to perform UAT on a change to a Client application enabling the Client business, Supplier's identification of any

issues/defects in such UAT shall not affect Client's ability to promote the change into production.

## **11.0 CURRENT AND ONGOING INITIATIVES**

1. As requested by Client, complete initiatives listed in Exhibit 9 (Projects) and other initiatives from time to time.
2. Expend all commercially reasonable efforts to complete the ongoing projects by the completion date or end date with respect to each such project, as listed in Exhibit 9 (Projects), if no completion date or end date is provided therein for a project, as early as practicable.
3. Use the Change Management Procedures to address any changes in scope, requirements, or schedules in respect to the ongoing initiatives.

## **12.0 QUALITY ASSURANCE**

The Supplier responsibilities will include:

1. Maintain ISO Accreditation or Other Quality Standards
  - 1.1. Ensure a Quality Management System (QMS) is established, communicated, continually improved and meets the requirements of ISO.
  - 1.2. Report on the health, performance, and effectiveness of the QMS as well as any need for improvement.
  - 1.3. Be aware of all ISO assessment findings and ensure any assessment actions are progressed to completion.
  - 1.4. Understand ISO requirements and adhere to external and internal assessment requirements.
  - 1.5. Recommend changes to unique or temporary processes.
  - 1.6. Ensure Supplier staff is trained to operate new or changed processes prior to implementation.
  - 1.7. Ensure any process risks are identified and appropriate actions to address such risks are planned, implemented and monitored.
  - 1.8. Ensure compliance with adequate internal controls and verification activities, including regular, periodic reporting of compliance status and exceptions, if any.
2. Write and maintain procedures, measurements and reporting on all quality assurance activities associated with the Services.
3. Ensure that the quality metrics and procedures employed are consistent with similar standards in Client's peer group and/or in the provision of similar professional services.
4. Allow Client to perform audits that will focus on the Supplier's adherence to its quality assurance procedures and standards; on the metrics gathered to support quality assurance activities; and on the Supplier's

efforts to improve overall quality. Supplier will cooperate fully and assist Client with any such audits.

5. Perform internal review of all reports and other work products prior to presenting to Client for use or review.

### **13.0 COMPLIANCE**

1. Prepare and maintain the process and testing documentation and testing required by Bill 198, Sarbanes-Oxley in accordance with the methodologies established by Client.
2. Supplier will provide documentation of compliance of SSAE 16, CSAE 3416 and ISAE 3402 including information on identified control deficiencies, remediation plans, and compensating controls identified, if any.

### **14.0 TRAINING**

The Supplier responsibilities will include:

1. Consult with Client on the application of any new issues, pronouncements, government directives or legislative/statutory changes.
2. Deliver communication updates received from Client to Supplier resources; e.g., background information, FAQs, current key message, in a timely fashion or other effective method.
3. Design and prepare all training and communications material for training of all Supplier staff.
4. Review and approve all training and communications material.
5. Provide ongoing management and support for all training, development requirements and communications.
6. Deliver training material to new hires, due to attrition or otherwise, to ensure that skills comply with Client requirements to enable delivery of Services in compliance with agreed performance levels.
7. Deliver training material / refresher training / communications to Supplier staff to ensure skills remain current to enable delivery of Services in compliance with agreed performance levels.
8. Training Effectiveness
  - 8.1. Demonstrate to Client that all training and communications have been delivered successfully and that content has been retained by trainees.
9. Client Training
  - 9.1. Enable client to attend and participate in new hire or other training sessions as requested.
  - 9.2. Enable client to attend and participate in refresher, and new material training sessions

10. Retain all dated versions of training materials in accordance with Client retention policies.

## **15.0 SUCCESSION PLANNING**

Supplier's responsibilities include:

1. Identify key or critical Domain positions as agreed upon with Client.
2. Analyze the key or critical positions to identify specialized required skills or competencies for these positions.
3. Review required skills and competencies vis-à-vis existing staff competencies and skills and identify known gaps or weaknesses.
4. Develop succession plan to specifically detail strategies to address potential shortfalls or weaknesses in existing staff.
5. Obtain Client approval of succession plan.
6. Inform and obtain Client approval of any proposed changes to personnel identified as key or critical positions.
7. Review succession plan with Client at Client's request but not less than annually.

## **16.0 INTERNAL AND EXTERNAL AUDIT SUPPORT**

The Suppliers responsibilities include:

1. Develop internal compliance review and internal and external audit supporting schedules.
2. Provide source documents to internal auditors as requested.
  - 2.1. Prepare and analyze statutory and corporate internal audit requests (including deliverables for analytical and substantive procedures).
3. Provide source documents to Client for external auditors' requests.
  - 3.1. Upon Client direction, prepare and analyze statutory and corporate external audit requests (including deliverables for analytical and substantive procedures).
4. Report to Client any policy and procedure non-compliance including accounting related non-compliance, if applicable.
5. Correct noncompliant policy and procedures.
6. De-brief Client on audit activities.
7. Seek authorization from Client to change established procedures.
8. Implement procedure changes authorized by Client.

## **17.0 REPORTING AND RECORDS RETENTION**

The Supplier responsibilities will include:

### **17.1 Reporting**

1. Perform standard reporting requirements including the reports identified in Exhibit 13 (Reports).
2. Provide ad-hoc reports as requested.

### **17.2 Records Retention**

1. Retain source documentation and reports: hard copies and soft copies in accordance with Client policies and procedures.
2. Provide scanned document images for source documentation through an electronic imaging system readable by Client.
3. Retrieve archived reports and documentation as requested by Client.
4. Maintain documentation in accordance with Client policies and procedures.
5. Dispose of documentation in accordance with Client policies and procedures.

## **18.0 MONITORING IMPROVEMENT OPPORTUNITIES**

The Supplier' responsibilities will include:

1. Ensure that baseline data is captured to measure the effectiveness of all improvements for its Service in accordance to the requirements defined by the Client.
2. Implement Continual Service Improvement activities for its Services and processes, in accordance to the Change Management Process and as directed by the Client.
3. Review its Service Improvement Plan (SIP) with the Client on a quarterly basis.
4. The Supplier shall provide suggestions and plans regarding improvements targets that have not been achieved to the Client.

## **19.0 INNOVATION**

The Supplier's responsibilities will include:

1. Establish and maintain an Innovation Process and method for production of Innovation ideas in accordance to the Process Requirements defined by the Client which include:
  - 1.1. The process for determining which ideas to submit.

- 1.2. The governance to be used to ensure that viable Innovation proposals are produced and that they are relevant to the business needs of the Client.
- 1.3. The implementation status of each proposal delivered under the previous plan.
2. The Supplier shall deliver at least one (1) Innovation proposal every quarter such that the Supplier has delivered four (4) Innovation proposals prior to the anniversary of the Commencement Date and then four (4) proposals in each subsequent year of the Term.
3. The Supplier shall include in each Innovation proposal a description of the Innovation, the business benefits, the cost, the risks, the method and the implementation plan.
4. The Supplier shall at the Commencement Date, deliver an Innovation plan, and update the plan every six (6) months thereafter for the remainder of the Term to the Client. In addition, the Innovation Plan shall contain the status of the Proposals delivered.
5. The Supplier shall attend, at least every six (6) months, the Innovation forum, organized by the Client.

## **20.0 ONGOING BUSINESS DIVESTITURES AND ACQUISITIONS**

The Supplier responsibilities will include:

1. Provide the Services associated with divestitures and acquisitions as described the Master Services Agreement.
2. Assist Client in planning, preparing, and implementing any transition or changes related to the Services as a result of divestitures or acquisitions as described in the Master Services Agreement.

## **21.0 BUSINESS CONTINUITY MANAGEMENT**

Business Continuity Management will support Business Continuity by ensuring that the required technical and services operations can be recovered within required and agreed Business time scales according to Client. The Supplier will provide Supplier Business Continuity Management and Supplier Disaster Recovery Services as described in this Common Exhibit and in accordance Common Exhibit 3 (Client Policies and Guidelines).

### **1. Business Continuity**

Client will retain responsibility for the Client Business Continuity Plans and management activities and will approve the Supplier's activities in support of the Client Business Continuity Plan(s) in advance.

The Supplier responsibilities will include:

- 1.1. Perform, update, and manage Supplier Business Impact Assessment of the Client Business Impact Assessment and the Client's functions that are supported by the Services.
- 1.2. Update, maintain, manage, test and implement any portion of the Supplier Business Continuity Plan(s) and activities that relate to



Services that support the Client's Business functions and the continued provisioning of the Services.

- 1.3. Work with Client to ensure that there is the proper linkage between the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s) to make them holistic and integrated.

## 2. Supplier Business Continuity Plan(s) and Recovery Plan(s)

Client will approve all Supplier Business Continuity Plan(s) and Disaster Recovery Plan(s) and modifications to such plan(s).

The Supplier responsibilities will include:

- 2.1. Effectively manage and maintain the Supplier Business Continuity Plan(s) of the Client, as they exist on the Effective Date.
- 2.2. Effectively manage and maintain the Supplier Disaster Recovery Plan(s) of the Client, as they exist on the Effective Date.
- 2.3. Perform Supplier Business Impact Assessment(s) of Client Business Continuity Plan(s) that exist on the Effective Date, and develop rationale and recommendations to address any perceived gaps.
- 2.4. Perform a gap analysis of Client's Disaster Recovery Plan(s) that exist on the Effective Date, and develop rationale and recommendations to address any perceived gaps.
- 2.5. To the extent that Client does not have a documented Supplier Business Continuity Plan(s) and supporting Supplier Disaster Recovery Plan(s) encompassing all Services, Supplier will develop and implement both Supplier Continuity Plan(s) and Supplier Disaster Recovery Plan(s), using the Supplier's best practices and standards for companies of similar industry, size, and services as specified in the Agreement. Client will approve any such Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s) developed by Supplier and will provide support in creating the plan.
  - 2.5.1. The structure of the Supplier Business Impact Assessment is defined in Attachment C to this Common Exhibit 2.3 –Cross Functional Services (NON ITO).
  - 2.5.2. The structure of the Supplier Business Continuity Plan(s) is defined in Attachment D to this Common Exhibit 2.3 –Cross Functional Services (NON ITO).
  - 2.5.3. The structure of the Supplier Disaster Recovery Plan(s) is defined in Attachment B to this Common Exhibit 2.3 –Cross Functional Services (NON ITO).
- 2.6. Maintain and continually enhance Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s) Plan(s) throughout the Term of the Agreement, including enhancements required as a result of the introduction and use of new technologies (Equipment, Software, Applications and so forth), Resource Units, processes, Business functions, locations, and priorities.
- 2.7. Integrate the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s) Plan(s) related to the Services with any company-wide Business Continuity Plan(s) and activities of Client.

- 2.8. Provide all necessary cooperation and assistance to enable Client to integrate the Supplier Disaster Recovery Plan(s) related to the Services with the Disaster Recovery Plan(s) of other service providers who deliver services to Client, such that an integrated end-to-end Disaster Recovery Plan can be produced.
- 2.9. Document the manner and procedures by which the Supplier will perform backups, provide Supplier Business Continuity and Supplier Disaster Recovery Plan(s) Services, and assist with Client Business Continuity Plans and Supplier Disaster Recovery Plan(s).
- 2.10. Document Client's priorities for backups, Disaster Recovery, and Business Continuity based on the priorities established by Client.
- 2.11. Document the methods and timeframes that allow Client to change priorities.
- 2.12. With Client's input and approval, develop a process that will determine and modify the list of mission-critical Applications on an annual basis.
- 2.13. Work with Client to incorporate Security measures, as defined for normal operations, into the Supplier Business Continuity Plan(s) and the Supplier Disaster Recovery Plan(s).
- 2.14. Maintain a list of key personnel contacts and notification procedures for Client, the Supplier, and Third-Party Vendor personnel.
- 2.15. Comply with Client's definition and procedures for declaring a disaster.
- 2.16. Provide Client with Supplier's criteria and procedures for declaring a disaster at Supplier's facilities.
- 2.17. Provide a Single Point of Contact (SPOC) for Business Continuity Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s) and Plan(s), related communications and other activities that are the Supplier's responsibility.

### 3. Business Continuity Testing

The Supplier responsibilities will include:

- 3.1. Establish joint test objectives with Client designed to verify that Client's Systems will be available within established timeframes.
- 3.2. Subject to the availability of a Client-designated test site(s), schedule and test all Components of the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s) Plan(s) at least annually in cooperation with Client, its designees, any testing and recovery providers, and any other Third-Party Vendors providing services to Client.
- 3.3. Schedule testing dates with Client's approval, and give Client and its representatives the opportunity to observe and participate in the tests.
- 3.4. Assume coordination and administrative responsibility for Third-Party Vendors utilized by Client during testing in accordance with the Supplier Business Continuity Plan(s) and Disaster Recovery Plan(s).

- 3.5. Continue to operate and manage the Services during periodic Business Continuity and Disaster Recovery tests.
- 3.6. Provide Client with a formal report of the test results within fifteen (15) days of each test. At a minimum, these reports should include:
  - 3.6.1. The results achieved
  - 3.6.2. A comparison of the results to the measures and goals identified in the respective Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan.
  - 3.6.3. A report on the feedback from Authorized Users as to the adequacy of continuity for their respective areas.
  - 3.6.4. A plan and a schedule to remedy any gaps revealed during testing, , or as agreed to by the Client.
- 3.7. Retest within ninety (90) days if any disaster simulation(s) fails to achieve specified results as a result of the Supplier's failure to perform its responsibilities.
- 3.8. Update the Supplier Business Disaster Recovery Plan(s) upon re-testing, and verify that the remedy was successful.

#### 4. Activities During a Disaster

The Supplier responsibilities will include:

- 4.1. Report disasters (or potential disasters) to Client immediately upon identification based on parameters defined in the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s), and consult with Client for an official declaration of a disaster as appropriate.
- 4.2. For all facilities where the Supplier has oversight responsibility, declare disasters in accordance with procedures existing at the time of declaration and notify Client of situations that may escalate to disasters as soon as practicable.
- 4.3. Execute the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s) including:
  - 4.3.1. Operate the Equipment.
  - 4.3.2. Restore the Software:
  - 4.3.3. Verify that data is recovered to the appropriate point in time.
  - 4.3.4. Provide all other functions associated with the Services.
- 4.4. In accordance with the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s), determine what resources to deploy.
  - 4.4.1. Conduct, supervise, and administer the operation and implementation of such resources.
- 4.5. Assist in the execution of the Client Business Continuity Plans and Supplier Disaster Recovery Plan(s), as requested by the Client.

- 4.6. Provide additional resources as necessary to maintain provision of the Services for unaffected areas and re-align technical resources to maintain Business Continuity.
- 4.7. In accordance with the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s), assume coordination and administrative responsibility for Third-Party Vendors utilized by Client.
- 4.8. Following any disaster, conduct a post-disaster meeting with Client in order to understand the cause of the disaster, restore Services to pre-disaster Service Levels (if necessary), and develop plans to eliminate or mitigate future occurrences.
- 4.9. Whether a Supplier Disaster Recovery Plan(s) exists or not, at a minimum, restore the Services within a timeframe that is expected in the industry from large, well-managed outsourcing services companies.

## 5. Other Business Continuity Activities

The Supplier's responsibilities will include:

- 5.1. Negotiate and manage contracts with Third-Party Vendors providing Supplier Business Continuity and Supplier Disaster Recovery services.
- 5.2. At all times, maintain strict compliance with the Supplier Business Continuity and Supplier Disaster Recovery policies, standards, and procedures contained in Client's Business Continuity Plan(s).
- 5.3. Train Supplier, Client personnel, and Third-Party Vendors in Supplier Business Continuity and Supplier Disaster Recovery procedures, and implement a process to obtain immediate access to such procedures in a disaster situation.
- 5.4. Provide and maintain backups; file recovery capabilities; and historical files of data and Software (including source code) utilized to support the Services. Additional responsibilities will include the following:
  - 5.4.1. Adhere to the time periods specified for backups and recovery by Client in the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s).
  - 5.4.2. Use magnetic media or other media approved by Client and accessible to Client.
- 5.5. Provide at a minimum weekly pickup and delivery to the off-site storage facility.
  - 5.5.1. Perform such functions in accordance with standards and procedures in the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s) and be no less stringent than the standards and procedures used at well-managed companies that provide similar backup and recovery features for similar services.
  - 5.5.2. Support connectivity to Client's mission-critical production network and the production host Systems, as required by the

Supplier Business Continuity Plan(s) and Disaster Recovery Plan(s).

- 5.5.3. Support connectivity from the contingency site to all external suppliers, Third-Party Vendors, and other organizations, as required by the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s).Plan(s).
- 5.6. Provide support, as requested by the Client, in the Client Business Impact Assessment processes and in the Client Business Continuity Plan development processes.
- 5.7. Provide support, as requested by the Client, during Client business continuity or disaster recovery incidents.



**ATTACHMENT 14**

**HYDRO ONE**

**REQUEST FOR PROPOSAL**

**SCY-7000003720**

**ATTACHMENT B TO COMMON EXHIBIT 2.3**

**DISASTER RECOVERY PLAN**

**CROSS-FUNCTIONAL SERVICES SOW (NON ITO)**

**NOVEMBER 7, 2013**

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## **SUPPLIER GUIDELINES**

This Attachment of the RFP contains specific information supplied by Client for the Supplier's use when responding to the RFP.

### **Supplier Instructions**

Refer to Part 4B and Part 5 of the RFP instructions.

Insert language as appropriate where marked in the document: "[Supplier to insert text.]".

For CSO and BPO domain responses, the Supplier should tailor the outline and response content in this document to the Supplier solution being proposed to support the Services.



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## 1.0 INTRODUCTION

Hydro One requires the Supplier to develop a Disaster Recovery Plan, which will become an integral part of its Supplier Business Continuity Plan, that conforms to the principles and requirements set out in the ITIL Framework.

The Disaster Recovery Management Services that the Supplier will be responsible for delivering are set out in Exhibit 2.3 (Cross-Functional Non ITO Services SOW). The Supplier's responsibilities include:

1. Maintaining and continually enhancing the Disaster Recovery Plan and Business Continuity Plan throughout the Term
2. Scheduling and testing all components of the Disaster Recovery Plans at least annually in cooperation with Hydro One
3. Executing the Disaster Recovery Plans in accordance with the disaster declaration processes as directed by Hydro One

This Attachment 2.3-B describes the procedures associated with the Supplier's Disaster Recovery Plan and delineates the recovery of IT Services only, when affected by an Outage.

The Supplier will document and perform the procedures specified herein and will conduct all reasonable effort necessary to accomplish the resumption of IT Services.



## **2.0 HYDRO ONE DISASTER RECOVERY PLAN**

[Supplier to insert text.]

### **2.1 Background**

[Supplier to insert text.]

#### **2.1.1 Purpose**

[Supplier to insert text.]

#### **2.1.2 Goals and Objectives**

[Supplier to insert text.]

#### **2.1.3 Benefits**

[Supplier to insert text.]

### **2.2 Scope**

[Supplier to insert text.]

#### **2.2.1 Policies**

[Supplier to insert text.]

#### **2.2.2 Overview**

### **2.3 IT Disaster Declaration Criteria**

[Supplier to insert text.]

#### **2.3.1 Operational Priorities**

[Supplier to insert text.]

#### **2.3.2 Levels of Response**

[Supplier to insert text.]

#### **2.3.3 Procedures for Invoking Contingency Mode**

[Supplier to insert text.]



#### 2.3.4 Required Authorizations

[Supplier to insert text.]

#### 2.3.5 Notification Procedures

[Supplier to insert text.]

#### 2.3.6 Media Handling Procedures

[Supplier to insert text.]

#### 2.4 IT Call-Out Procedure

[Supplier to insert text.]

#### 2.5 Contingency Mode Resource Plan

[Supplier to insert text.]

##### 2.5.1 Functional Organization Chart

[Supplier to insert text.]

##### 2.5.2 Teams Roles and Responsibilities

[Supplier to insert text.]

##### 2.5.3 Recovery Team Director

[Supplier to insert text.]

##### 2.5.4 Command Center Coordinator

[Supplier to insert text.]

##### 2.5.5 Recovery Team Leaders

[Supplier to insert text.]

##### 2.5.6 Recovery Teams

[Supplier to insert text.]

##### 2.5.7 Key Personnel Emergency Contact List

[Supplier to insert text.]



## **2.5.8** Key Suppliers and Vendors Contact List

[Supplier to insert text.]

## **2.5.9** Manpower Recovery Strategy

[Supplier to insert text.]

## **2.6** Key Documents and Procedures

[Supplier to insert text.]

### **2.6.1** Documents and Records Vital to IT Processes

[Supplier to insert text.]

### **2.6.2** Off-Site Storage Information

[Supplier to insert text.]

### **2.6.3** Emergency Stationery and Office Supplies

[Supplier to insert text.]

### **2.6.4** Emergency Office Equipment

[Supplier to insert text.]

## **2.7** Notification and Reporting

[Supplier to insert text.]

### **2.7.1** Notifying and Mobilizing the Teams

[Supplier to insert text.]

### **2.7.2** Notifying Management and Key Employees

[Supplier to insert text.]

### **2.7.3** Handling Personnel Family Notification

[Supplier to insert text.]

### **2.7.4** Handling Media

[Supplier to insert text.]



#### **2.7.5** Maintaining Event Log

[Supplier to insert text.]

#### **2.7.6** Phase Reporting

[Supplier to insert text.]

### **3.0 INFRASTRUCTURE MANAGEMENT RECOVERY ACTIVITIES AND PROCEDURES**

#### **3.1** Server Recovery Activities and Procedures

[Supplier to insert text.]

##### **3.1.1** Power and Other Utilities

[Supplier to insert text.]

##### **3.1.2** Premises, Fixtures and Furnishings

[Supplier to insert text.]

##### **3.1.3** IT Systems

[Supplier to insert text.]

##### **3.1.4** Human Resources

[Supplier to insert text.]

##### **3.1.5** Information and Documentation

[Supplier to insert text.]

#### **3.2** Network Recovery Activities and Procedures

[Supplier to insert text.]

##### **3.2.1** Power and Other Utilities

[Supplier to insert text.]

##### **3.2.2** Premises, Fixtures and Furnishings

[Supplier to insert text.]



### 3.2.3 IT Systems

[Supplier to insert text.]

### 3.2.4 Human Resources

[Supplier to insert text.]

### 3.2.5 Information and Documentation

[Supplier to insert text.]

## 3.3 End-User Services Recovery Activities and Procedures

[Supplier to insert text.]

### 3.3.1 Power and Other Utilities

[Supplier to insert text.]

### 3.3.2 Premises, Fixtures and Furnishings

[Supplier to insert text.]

### 3.3.3 IT Systems

[Supplier to insert text.]

### 3.3.4 Human Resources

[Supplier to insert text.]

### 3.3.5 Information and Documentation

[Supplier to insert text.]

## 3.4 ADM Recovery Activities and Procedures

[Supplier to insert text.]

### 3.4.1 Power and Other Utilities

[Supplier to insert text.]

### 3.4.2 Premises, Fixtures and Furnishings

[Supplier to insert text.]





### **3.4.3** IT Systems

[Supplier to insert text.]

### **3.4.4** Human Resources

[Supplier to insert text.]

### **3.4.5** Information and Documentation

[Supplier to insert text.]

## **3.5** Service Desk Recovery Activities and Procedures

[Supplier to insert text.]

### **3.5.1** Power and Other Utilities

[Supplier to insert text.]

### **3.5.2** Premises, Fixtures and Furnishings

[Supplier to insert text.]

### **3.5.3** IT Systems

[Supplier to insert text.]

### **3.5.4** Human Resources

[Supplier to insert text.]

### **3.5.5** Information and Documentation

[Supplier to insert text.]

## **3.6** Other Cross-Functional Recovery Activities and Procedures

[Supplier to insert text.]

### **3.6.1** Power and Other Utilities

[Supplier to insert text.]

### **3.6.2** Premises, Fixtures and Furnishings

[Supplier to insert text.]



### **3.6.3** IT Systems

[Supplier to insert text.]

### **3.6.4** Human Resources

[Supplier to insert text.]

### **3.6.5** Information and Documentation

[Supplier to insert text.]

## **3.7** Return to Normal Operating Mode

[Supplier to insert text.]

### **3.7.1** Criteria for Returning to Normal Operating Mode

[Supplier to insert text.]

### **3.7.2** Procedures for Returning to Normal Operating Mode

[Supplier to insert text.]

### **3.7.3** Procedures for Recovering Lost or Damaged Information

[Supplier to insert text.]

### **3.7.4** Detailed Lists, Inventories and Services Required

[Supplier to insert text.]

## **3.8** Training and Test Procedures

[Supplier to insert text.]

### **3.8.1** Managing the Training Process

[Supplier to insert text.]

### **3.8.2** Training Process and Schedule

[Supplier to insert text.]

#### **3.8.2.1** Team Training

[Supplier to insert text.]



### 3.8.2.2 User Training

[Supplier to insert text.]

### 3.8.3 Risk Management

[Supplier to insert text.]

### 3.8.4 Testing of Recovery Plan

[Supplier to insert text.]

#### 3.8.4.1 Planning the Tests

[Supplier to insert text.]

#### 3.8.4.2 Scheduling the Tests

[Supplier to insert text.]

#### 3.8.4.3 Conducting the Tests

[Supplier to insert text.]

#### 3.8.4.4 Test Schedule

[Supplier to insert text.]

#### 3.8.4.5 Test Scenario

[Supplier to insert text.]

#### 3.8.4.6 Test Monitoring

[Supplier to insert text.]



#### **4.0 RECOVERY CENTER INFORMATION AND CONFIGURATION**

[Supplier to insert text.]

##### **4.1 Recovery Center Location**

[Supplier to insert text.]

##### **4.2 Recovery Center Description**

[Supplier to insert text.]

##### **4.3 Recovery Center Configuration**

[Supplier to insert text.]

##### **4.4 Recovery Center Permanent Equipment List**

[Supplier to insert text.]



Attachment 15

**HYDRO ONE**

**REQUEST FOR PROPOSAL**

**SCY-7000003720**

**ATTACHMENT C TO COMMON EXHIBIT 2.3**

**BUSINESS IMPACT ASSESSMENT DESCRIPTION**

**CROSS FUNCTIONAL SERVICES (NON ITO)**

**NOVEMBER 7, 2013**

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## Attachment 15

### **SUPPLIER GUIDELINES**

This Attachment of the RFP contains specific information supplied by Client for the Supplier's use when responding to the RFP.

### **Supplier Instructions**

Refer to Part 4B and Part 5 of the RFP instructions.

Insert language as appropriate where marked in the document: "[Supplier to insert text.]".



Attachment 15

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## Client Requirement

### 1.0 INTRODUCTION

Hydro One requires the Supplier to develop a Supplier Business Impact Assessment ("SBIA") prior to the development of the Supplier Business Continuity. The SBIA is based on the Supplier's review of the Client Business Impact Assessment and the Supplier's analysis of the criticality and the risks for the business functions that are identified in the Client Business Risk Assessment.

This Attachment 2.3-C requires the Supplier to describe their methodology associated with the Supplier's Business Impact Assessment process and delineates the steps required to close any gaps identified by the Supplier.

The Supplier will document and perform the procedures specified herein and will conduct all reasonable effort necessary to accomplish the resumption of business processes

### 2.0 SUPPLIER BUSINESS IMPACT ASSESSMENT SERVICES

#### 2.1 Overview

Supplier will provide detail on its Business Impact Assessment approach and procedures.

[Supplier to insert text.]

Client will specify continuity requirements and priorities. This information will be in the Client Business Impact Assessment.

#### 2.2 Supplier Business Impact Assessment

Supplier will propose a Business Impact Assessment approach to study of the risks associated with a disruption would have on Client's business operations, brand, profitability and regulatory compliance.

The SBIA and its approach will be in accordance with good industry practice. The approach must be approved by the Client. If the proposed SBIA approach is not acceptable, then the Client will specify the required SBIA approach.

The SBIA will include but not be limited to the following components:

- i. Business unit profile
- ii. Threat identification
- iii. Risk assessment
- iv. Qualitative and quantitative impact assessment
- v. Inter-dependencies
- vi. Alternate work location considerations
- vii. Technology dependencies





Attachment 15

**HYDRO ONE**

**REQUEST FOR PROPOSAL**

**SCY-7000003720**

**ATTACHMENT D TO COMMON EXHIBIT 2.3**

**BUSINESS CONTINUITY PLAN DESCRIPTION**

**CROSS FUNCTIONAL SERVICES (NON ITO)**

**NOVEMBER 7, 2013**

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## Attachment 15

### **SUPPLIER GUIDELINES**

This Attachment of the RFP contains specific information supplied by Client for the Supplier's use when responding to the RFP.

### **Supplier Instructions**

Refer to Part 4B and Part 5 of the RFP instructions.

Insert language as appropriate where marked in the document: "[Supplier to insert text.]".



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## Client Requirement

### 1.0 INTRODUCTION

Hydro One requires the Supplier to develop a Business Continuity Management (BCM) Plan, which will become an integral part of its Supplier Business Continuity Management, that conforms to the principles and requirements set out in the ITIL Framework. The Supplier Business Continuity describes how the Supplier will defend the business against a range of potential risks and to be able to rebuild the business organization after the occurrence of continuity or disaster events

This Attachment 2.3-D describes the procedures associated with the Supplier Business Continuity Plan and delineates the steps required to restore business processes following a disruption, when affected by an Outage.

The Supplier will document and perform the procedures specified herein and will conduct all reasonable effort necessary to accomplish the resumption of business processes

### 2.0 SUPPLIER BUSINESS CONTINUITY MANAGEMENT SERVICES

#### 2.1 Overview

Supplier will provide detail on its Business Continuity Management approach and procedures. Elaborate in detail your BCM solution for each site from which you will be performing Services.

[Supplier to insert text.]

Supplier is required to provide detailed information on its use of Third Parties to assist with Business Continuity Management.

[Supplier to insert text.]

The Supplier Continuity Plan ("SBCP") will comprehensively document Supplier's Business Continuity Management obligations as for all operations directly or indirectly engaged in providing the Services. The SBCP will specify defined plans to ensure a controlled and coordinated response to business interruptions or disasters in order to minimize the impact and duration of any reduction of the quality or interruption of the Services, and comprehensive audit and testing regimes for all elements of the SBCP to demonstrate their adequacy and efficacy. The Continuity Plan will include but not be limited to the following contents:

- (i) Identification of roles and responsibilities during an event
- (ii) Immediate response procedures
- (iii) Event declaration and communication protocol
- (iv) Contact and Command Centre information

## Attachment 15

- (v) Recovery and Alternate work location logistics
- (vi) Return and rebuild components.

The continuity plan will also include activation of manual workarounds in the event of business process disruptions, or business technology failures and/or until technology planned to be invoked in a disaster event or continuity event, is invoked.

To the extent that it is reasonably practicable, all Supplier's Business Continuity Management strategy, planning, implementation of processes, and resource utilization shall be integrated with those of Client to minimize planning interfaces and to develop effective and coordinated responses to Client's business recovery requirements.

Client will specify continuity requirements and priorities. This information will be in the Client Business Impact Assessment.

Subsequent to the Client Approval of the Supplier Business Impact Assessment, the Supplier will produce a draft SBCP for review and approval by Client as specified in the Agreement.

Supplier will incorporate Client's comments (if any) and complete the final version as specified in the Agreement.

## 2.2 Supplier Business Continuity Plan

Supplier will utilize the Client Business Impact Analysis to study of the risks associated with a disruption to the Client's business operations, brand, profitability and regulatory compliance ("Supplier **Business Impact Analysis**"). Supplier will prepare a SBCP as defined in the Agreement for Services based on the Business Impact Analysis and the requirements set out in this schedule and provide it to Client for review and approval.

In preparing and implementing the SBCP, Supplier will ensure that the SBCP provides Client with at least the equivalent business continuity that Client had in place before the Effective Date, regardless of where the Services are being provided from.

The SBCP will be in accordance with good industry practice and at a minimum, will:

- (a) contain business impact analysis and prioritise critical business processes.
- (b) set out an appropriate framework, structure and continuity plan components that best addresses Client's business continuity and resumption requirements.
- (c) set out risks, mitigation strategies and control.

Attachment 15

- (d) identify the common elements of plausible disruptions that might severely disrupt critical or important business operations and anticipating the effect of such disruptions.
- (e) identify and analyse the various recovery strategy alternatives for the priority business processes based on the findings of Client Business Impact Analysis.
- (f) provide a list of key contacts and notification procedures for Client, Supplier and Third Party vendor personnel, and provide a single point of contact for SBCP related communications and other activities that are the Supplier's responsibility.
- (g) define a Supplier Business Continuity organisation structure with roles and responsibilities.
- (h) provide details of an awareness and training program.
- (i) set out the criteria for declaration of a Disaster.
- (j) set out the resources requirements to deploy, conduct, supervise and administer the operation and implementation of the SBCP.
- (k) include a communication plan.
- (l) include a coordination plan – internal and with Third Parties.
- (m) provide testing processes which address:
  - (i) the establishment of joint test objectives with Client for SBCP.
  - (ii) detailed testing procedures including frequency of conducting such tests.
  - (iii) scheduling of Disaster simulation testing dates with Client's prior approval and giving Client and its representatives have the opportunity to observe and participate in the tests. and
  - (iv) reporting test results.
- (n) sets out a process for conducting post-disaster analysis in order to understand the cause of the disaster, and develop plans to eliminate or mitigate future occurrences.
- (o) document contingent responses so that recovery from these interruptions can occur as quickly as possible.

The SBCP as well as future modifications to such plans are subject to approval by Client before implementation.

## 2.3 Updating the Supplier Business Continuity Plan

The SBCP will be reviewed and updated at least once per annum.

Supplier shall ensure that the SBCP satisfies and continues to satisfy all relevant Regulatory Requirements for disaster recovery and business continuity. Supplier shall regularly and promptly review and update the SBCP in response to the following:

- 1.1. Changes in process or strategy in:
  - 1.1.1. Business processes or priorities
  - 1.1.2. Technology and support requirements OR
  - 1.1.3. Disaster recovery strategy or resumption chronologies
- 1.2. Changes in supporting information in:
  - 1.2.1. System or data inventories
  - 1.2.2. Plan-supporting data OR
  - 1.2.3. Personnel details
- 1.3. Changes to remedy deficiencies in the SBCP, including those identified in testing the SBCP.

## 2.4 Business Continuity Testing

Supplier shall ensure that the SBCP is subject to a comprehensive testing and exercising regime, including the network communications between the contingency site and each site to or from which the Services are provided or would be provided in response to any Risk Event, to ensure continued adequacy and efficacy, which shall take place at reasonable regular intervals and in any event, at least once in every calendar year.

Supplier will develop a SBCP test plan at least annually that will include and that is not limited to the frequency, scope, dates, testing periods, and test success criteria for each SBCP test.

Supplier will produce a draft SBCP test plan within one (1) month of the SBCP being finalized (as described in Section 2.2 above).

Supplier will incorporate Client's comments (if any) and complete the final version of the SBCP test plan within three (3) months of the SBCP being finalized.

Supplier shall conduct tests of the SBCP at times outside of Client's normal business hours, and ensure that such tests will not affect the Services, which will continue to be provided in accordance with the Service Levels.

Supplier shall deliver to Client the test results of each SBCP test against the test success criteria within ten (10) Business Days of the conclusion of the test.

Supplier shall, within four weeks of the conclusion of each test:

- (a) Deliver to Client an action plan for Supplier to fulfill each of the criteria which was not achieved during the testing ("Exceptions"); and
- (b) Repeat the parts of the SBCP tests to which the Exceptions relate in accordance with a new agreed testing plan.

If, following the repeat of that part of the SBCP tests to which the Exceptions relate, the relevant criteria are still not fulfilled, then Supplier shall re-test the SBCP within four weeks or subject to agreement with Client.

### **3.0 BUSINESS CONTINUITY EXECUTION**

#### **3.1 Response Times**

Supplier will restore all affected parts of the Services in accordance with the business priority response times documented within the Client Business Impact Assessment and in accordance with the agreed SBCP. These Attachments are subject to further review and revision.

### **4.0 GOVERNANCE**

#### **4.1 Reporting**

Supplier will provide quarterly reporting on Business Continuity Management, SBCP, and SBCP testing in a format to be agreed with Client.

Supplier to provide an example of the information that would be provided to Client on a quarterly basis.

[Supplier to insert text.]





Hydro One

**REQUEST FOR PROPOSAL**

**SCY-7000003720**

**COMMON EXHIBIT 1**

**DEFINITIONS**

**NOVEMBER 7, 2013**

This document contains confidential and proprietary information of Client. It is furnished for evaluation purposes only. Except with the express prior written permission of Client, this document and the information contained herein may not be published, disclosed, or used for any other purpose.

**Supplier Guidelines**

This Exhibit of the RFP contains specific information supplied by Client for the Supplier's use when responding to the RFP.

**Supplier Instructions**

Refer to Part 4B and Part 5 of the RFP instructions.

## 1.0 INTRODUCTION

This Exhibit contains defined terms that are used throughout the RFP in addition to those set out in the proposed Agreement and Schedules. These definitions are subject to requirements and changes from Client or as otherwise mutually agreed by the Parties. **The Supplier will submit its proposal, including the technical solution and pricing, based on the definitions contained herein.** To the extent of any inconsistency between the definitions in this Exhibit and the definitions in the Agreement, the definitions in the Agreement will prevail to the extent of the inconsistency.

- 1) **"Access Management"** means the process responsible for allowing Authorized Users to make use of IT services, or data or other Assets
- 2) **"ACD Menu"** means Automated Call Director Menu that manages a device or system that distributes incoming calls to a specific group of terminals that service Desk agents use.
- 3) **"Actual Uptime"** means the measurement of time that a particular System, Application, Software, Hardware, Network, or any other part of the Services is actually available during the Measurement Period. Such measurement will be calculated by subtracting Downtime from the Scheduled Uptime.
- 4) **"Additional Critical Deliverable Credit"** means the proportional amount of Critical Deliverable Credit that is due (as described in Exhibit 2 to the SOW) for any recurring delay/lateness in providing the Critical Deliverable on the original due date as described in Exhibit 2 to the SOW.
- 5) **"AMIS"** means Availability Management Information System.
- 6) **"AP1"** means application programming interface specifies how some software components should interact with each other.
- 7) **"Applications"** means programs and other software (including the supporting documentation, media, on-line help facilities, and tutorials) that perform user-related or business-related information processing functions. Applications include database management Software.
- 8) **"ARC"** means Additional Resource Charge and a charge added to the Base Charge for each Resource Unit utilized and authorized by Client above the Resource Baseline, for the applicable month.
- 9) **"Architecture"** means the design, process, strategies, and specification of the overall structure, logical components, and the logical interrelationships of Equipment and Software, including System Software, a Network, or other reasonably related conception.
- 10) **"Asset"** means any resource or capability that could contribute to the delivery of a service. Assets can be one of the following types: management, organization, process, knowledge, people, information, Applications, Infrastructure, and financial capital.
- 11) **"Asset Management"** means the process responsible for tracking and reporting the value and ownership of Assets throughout their Lifecycle.
- 12) **"At-Risk Amount"** means the At-Risk Percent multiplied by the At-Risk Fees.
- 13) **"At-Risk Fees"** means the Monthly Invoice Amount (less Excludable Amounts) for the Measurement Period in which a Service Level Default occurred.
- 14) **"At-Risk Percent"** means, for purposes of the SOW, 50%.
- 15) **"Authorized User(s)"** has the same meaning as Client Personnel as defined in the Agreement.
- 16) **"Availability"** means the ability of a Configuration Item or service to perform its agreed function when required. Availability is determined by reliability, maintainability, serviceability, performance, and Security. Availability is calculated as the Actual Uptime expressed as a percentage of the Scheduled Uptime for a particular System, Application, Software, Hardware, Network, or

any other part of the Services (for example: Availability % = ((Actual Uptime)/(Scheduled Uptime)) x 100%).

- 17) **"Balanced Scorecard"** means a management tool that enables a strategy to be broken down into Key Performance Indicators. Performance against the KPIs is used to demonstrate how well the strategy is being achieved. A Balanced Scorecard is the presentation of a mixture of financial and non-financial measures each compared to a 'target' value within a single concise report.
- 18) **"Band Councils"** means First Nation council.
- 19) **"Base Charges"** means the fees for services at the agreed upon resource baseline volumes.
- 20) **"BAU"** means business as usual.
- 21) **"BI /BW"** means Business Intelligence / Business Warehouse.
- 22) **"Billable Project"** means Client approved Supplier Charges billed to the Client in agreement with a Project Order.
- 23) **"Billable Hours"** means Client approved Supplier Hours billed to the Client in agreement with a Project Order or FTP Services.
- 24) **"Build Environment"** means a controlled Environment where Applications and IT services are assembled prior to being moved into a Test or Live Environment.
- 25) **"Business Continuity (BC)"** means the activity performed by an organisation to ensure that critical business functions will be available to customers, suppliers, regulators, and other entities that must have access to those functions. These activities include, but not limited to, project management, system backups, change control, and help desk. It includes those activities performed daily to maintain service, consistency, and recoverability. It involves planning for keeping all aspects of a business functioning in the midst of disruptive events. The entire concept of business continuity is based on the identification of all business functions within an organisation, and then assigning a level of importance to each business function.
- 26) **"Business Continuity Management (BCM)"** means the business process responsible for managing risks that could seriously affect the business. Business continuity management safeguards the interests of key stakeholders, reputation, brand and value-creating activities. The process involves reducing risks to an acceptable level and planning for the recovery of business processes should a disruption to the business occur. Business continuity management sets the objectives, scope and requirements for IT service continuity management.
- 27) **"Business Impact Assessment (BIA)"** means a report(s) that sets out critical and non-critical business functions and activities, business risk due to loss of business function and supporting resources/services, risk mitigation strategies, recovery times and points, alternate business functions and supporting services.
- 28) **"Business Service Catalogue"** means those aspects of the Service Catalog identifying IT services available to the Client's LOB, including relations to the business processes each catalogue service supports. This catalog is the business-facing view of the IT services.
- 29) **"Calls"** means problems, questions, or requests submitted to the Supplier by telephone, electronically, or other means approved by Client.

- 30) **"Capacity"** means the maximum Throughput that a Configuration Item or Service can deliver while meeting agreed levels of service. For some types of CI, Capacity may be the size or volume (for example a disk drive).
- 31) **"Capacity Management"** means the process responsible for ensuring that the Capacity of services and the IT Infrastructure is able to deliver agreed levels of service in a cost-effective and timely manner. Capacity Management considers all resources required to deliver the Service, and plans for short-, medium- and long-term business requirements.
- 32) **"Capacity Plan"** means a Capacity Plan that is used to manage the resources required to deliver services. The plan contains scenarios for different predictions of business demand, and costed options to deliver the agreed levels of service.
- 33) **"CD ROM"** means pre-pressed compact disc which contains data. The name is an acronym which stands for "Compact Disc Read-only Memory".
- 34) **"CCRA true-ups"** means capital cost recovery agreement.
- 35) **"CET"** means certified engineering certificate.
- 36) **"Change Management"** means the processes relating to planning and performing all changes in the Client business and computing environments as part of the Services, including changes to individual components and coordination of changes across all components. The Change Management processes will support and include checkpoints to determine any potential Change requirements.
- 37) **"Charges"** or Fees has the meaning ascribed in Section 16.1(b) of the Agreement.
- 38) **"CIS"** means Customer Information System and is the electronic data base where all customer, premise, billing and equipment (metering) information resides and customer requests are issued and completed. CIS holds information regarding customers including premise information (name, addresses, contact information), contact information for agents working with the customers as well as notes, rate class information, metering information as well as demand information, connectivity information (switch, feeder, voltage), billing information as well as the actual bill give to the customer, payment information from the customer and balances, when payments are made.
- 39) **"Cisco"** means an American multinational corporation headquartered in San Jose, California, United States, that designs, manufactures, and sells networking equipment.
- 40) **"Client Business Continuity Management (CBCM)"** means the Client's processes related to planning and performing Business Continuity.
- 41) **"Client Project Governance Procedures"** mean the agreed procedures, found in the Procedures Manual, that address the Supplier's deliverables and obligations for Project activities for the Client.
- 42) **"Client Transition Manager"** means a Client project manager who will oversee the Transition and be the single point of contact for the Supplier Transition Manager.
- 43) **"CMDB"** (Configuration Management Database), means a database system used to store configuration records throughout their lifecycle.
- 44) **"CMS"** means Configuration Management System.

- 45) **"Complaint"** means an expression of dissatisfaction voiced by a customer or their representative that has not been resolved at the front line and passed to a second tier for resolution. In addition, issues relating to Laws, any other legal issues and third party issues are also considered Complaints.
- 46) **"Component"** means a general term that is used to mean one part of something more complex. For example, a computer System may be a component of an IT Service, and an Application may be a Component of a Release Unit. Components that need to be managed should be Configuration Items.
- 47) **"Conferencing Premise Equipment"** means the Equipment, features, accessories, peripherals, and cabling supported or used by Supplier in connection with its provision to the Client Personnel of conferencing Services, including room-based and cart-based video and audio conference equipment (such as audio/video switching equipment, control computers, monitors, cameras, document viewers), and all additions, modifications, substitutions, upgrades, or enhancements to such Equipment.
- 48) **"Conferencing Systems"** means all Conferencing Premise Equipment and associated Software that is supported or used by Supplier in connection with its provision of Conferencing Services.
- 49) **"Configuration Item"** means any component that needs to be managed in order to deliver an IT service. CIs typically include IT services, hardware, software, buildings, people, and formal documentation such as process documentation and agreed levels of service.
- 50) **"Connectivity"** means the ability to access and exchange data, voice, and/or video electronic impulses between various Infrastructure components and with external sources as approved by Client and provided to Authorized Users.
- 51) **"Contract Portfolio"** means a database or structured document used to manage service contracts or agreements between service providers (including the Supplier) and Client.
- 52) **"COTS"** means Commercial off-the Shelf Equipment and/or Software, as applicable, that is readily available to the public from a Third Party that is not an Affiliate of a Party.
- 53) **"CPI"** means consumer price index and is a means for inflation.
- 54) **"CPU"** means central processing Unit".
- 55) **"Critical Deliverable Credits"** means the monetary amounts that Supplier shall pay to Client (or credit against monthly charges) in the event of a failure to achieve a Critical Deliverable.
- 56) **"Critical Deliverables"** means those deliverables performed on a one-time or periodic basis, for which a Deliverable Credit may be payable in accordance with Schedule 5.1 (Service Level Methodology) and described in Exhibit 2(Service Levels). Critical Deliverables are not Critical Service Levels.
- 57) **"Critical Services"** means a Service that is defined by the Client as (a) having a "High" Impact and a "High" Urgency if it suffers a incident, disruption or interruption (regardless of cause), (b) having no circumvention or workaround available, or (c) Mat be requiring an Emergency Change to resolve. It may involve Facilities, Hardware, Software and Services.

- 58) **"Critical Systems"** means an activity, device, service or system whose failure or disruption will cause a failure in business operations. For example, a contact centre switch.
- 59) **"Cross-Supplier"** means any Services, processes, or activities performed for the Client, that span multiple Suppliers, in which a Supplier would work with the other Suppliers in the performance of its responsibilities.
- 60) **"CSAE"** means Canadian Standards on Assurance Engagements.
- 61) **"CSR"** means each customer service representative who handles customer inquiries.
- 62) **"Critical Service Level"** means those Service Levels established under Schedule 5.1 (Service Level Methodology for which a Service Level Credit may be payable. Critical Service Levels are identified and described in Exhibit 2 (Service Levels).
- 63) **"Current Projects"** means any projects being performed as of the date of the RFP issuance.
- 64) **"Deliverable Credits"** means the monetary amount(s) that the Supplier shall pay to Client (or apply against Monthly Charges) in the event of a failure to achieve a Critical Deliverable as specified in Exhibit 2 (Service Levels).
- 65) **"Demand Management"** means activities that understand and influence Client's demand for Services and the provision of Capacity to meet these demands. At a strategic level, Demand Management can involve analysis of patterns of business activity and user profiles. At a tactical level, it can involve use of differential charging to encourage Client's Authorized Users to use services at less busy times.
- 66) **"Development Environment"** means an Environment used to create or modify services or Applications. Development Environments are not typically subjected to the same degree of control as Test Environments or Live Environments.
- 67) **"Definitive Software Library"** means Definitive Media Library.
- 68) **"DHCP"** means Dynamic Host Configuration Protocol and is a network protocol used to configure devices that are connected to a network (known as hosts) so they can communicate on that network using the Internet Protocol (IP).
- 69) **"Disaster Recovery (DR)"** means the process, policies and procedures related to preparing for recovery or continuation of technology infrastructure critical to an organisation after a natural or human-induced disaster. Disaster recovery is a subset of business continuity. It focuses on the IT or technology systems that support business functions.
- 70) **"Disaster Recovery Management (DRM)"** means the process of ensuring that identified IT services will be available during abnormal situations. It typically involves a detailed assessment of the Business risk of key IT services being lost, and then identifies countermeasures and plans to prevent – or recover from – identified contingencies.
- 71) **"Discretionary Hours"** means the hours the Supplier spent on activities that the Client deemed as discretionary activities.
- 72) **"DNS"** means Domain Name System.



- 73) **"Downtime"** means the time that a particular System, Application, Software, Hardware, Network, or any other part of the Services is not available during the Measurement Period.
- 74) **"DR"** means disaster recovery.
- 75) **"DRP"** means disaster recovery plan.
- 76) **"Dunning Process"** means the process of communicating with customers to ensure the collection of their past due accounts receivables including any late payment charges. The Dunning Process is run every month at month end by way of an SAP batch program.
- 77) **"Earnback"** means the ability of Supplier to recover a Service Credit as described in Section 7 of Schedule 5.1.
- 78) **"ECA"** means Economic Change Adjustment, and relates to the fluctuation in CPI year over year.
- 79) **"EDI"** means electronic data interchange.
- 80) **"European Institute for Computer Antivirus Research (EICAR)"** means an organization aiming to further antivirus research and improving development of antivirus software.
- 81) **"Environment"** means the air, water, noise, chemical balance and other physical elements in the locations of the Sites.
- 82) **"Emergency Preparedness Plan"** means the Hydro One Networks Inc. Transmission and Distribution Emergency Preparedness Plan (T&D Plan) that prescribes the company's organization and actions in response to a significant disruption of electrical services within the Province of Ontario. This T&D Plan addresses the disruption of electrical services irrespective of the cause.
- 83) **"Emergency Service Personnel"** means police, fire and ambulance personnel.
- 84) **"Equipment"** means the computer, telecommunications, and Facility-related hardware, equipment and peripherals (i) owned or leased by Client or the Supplier and (ii) used by either the Supplier or Authorized Users in conjunction with the Services.
- 85) **"EUS"** means End User Services as specified in EUS SOW - Exhibit 1 - SOW Services Description.
- 86) **"Evaluation"** means the process responsible for assessing a new or changed Service to ensure that risks have been managed and to help determine whether to proceed with the Change. Evaluation is also used as a means to compare an actual outcome with the intended outcome, or one alternative with another.
- 87) **"Evaluation Report"** means a report issued as part of the Evaluation process that contains a risk profile, a deviations report, a qualification and validation statement, and a recommendation to either accept or refuse a Change.
- 88) **"Excludable Amounts"** means (i) those out-of-pocket expenses incurred by Supplier in performing the Services that are reimbursable by Client under the terms of this Agreement, (ii) any amounts payable to Supplier that are determined and payable under this Agreement solely on the basis of the costs incurred by Supplier, and including (if applicable) any handling or administrative fee payable to Supplier in relation to management of such matters, whether expressed as a percentage of those amounts or otherwise, and (iii) any other

amounts payable to Supplier that the Parties have mutually agreed in writing should constitute Excludable Amounts.

- 89) **"Expected Service Level Target"** means the contracted level of performance for a Service Level, as initially set forth in the applicable SOW and as the same may be changed in accordance with Section 8 of Schedule 5.1.
- 90) **"Expiration Date"** means the ending date of the Initial Term or Renewal Term.
- 91) **"Facilities"** means the buildings and grounds, whether leased or owned, that are used by the Client.
- 92) **"Facilities Management"** means the function responsible for managing all aspects of the physical Environment, such as power and cooling, and building Access Management.
- 93) **"Failure"** means loss of the ability to operate to specification, or to deliver the required output. The term Failure may be used when referring to Services, processes, activities, configuration items, and so forth. A Failure often causes an Incident.
- 94) **"Fees"** or Charges has the meaning ascribed in Section 16.1(a) of the Agreement.
- 95) **"FERC"** means Federal Energy Regulatory Commission.
- 96) **"Fixed Fee"** means a defined fee for a scope of work that cannot be incremented or decremented without both parties approval.
- 97) **"FTE (Full-Time Equivalent)"** means a level of effort on specific tasks or projects expended by an employee or contractor, which contemplates an allocation of their time over various work efforts. That is, it acknowledges that an individual may work part-time or spend time on various in-scope activities.
- 98) **"FTP (Full-Time Person)"** means a Full-Time person at 160 hrs per month and who is not allowed to bill over 160 hrs within a given month without Client approval.
- 99) **"Governance Library"** shall have the meaning ascribed in Schedule 9.1 (Governance).
- 100) **"GUI"** means graphical user interface.
- 101) **"Hardware"** refer to equipment.
- 102) **"Hours of Operation"** means Attachment F to Exhibit 1 Phone Lines and Hours of operation or as defined in an Exhibit 1 Services Description.
- 103) **"MAC(s)"** means installations, moves, adds, changes, de-installations, and related services at Client Sites.
- 104) **"IMAC"** means installations, moves, adds, changes, de-installations, and cascades for Equipment, Software, and related services at designated Client Sites. IMACs will include: Hard IMACs, Soft IMACs, and Project IMACs.
- 105) **"Impact"** means a measure of the effect of an Incident, problem, or Change on business processes.
- 106) **"Incident"** means any event that is not part of the standard operation of a Service and that causes, or may cause, an interruption to, or a reduction in, the quality of that Service.

- 107) **"Incident Management"** means the process responsible for managing the Lifecycle of all Incidents. The primary objective of Incident Management is to return the service to full operation as quickly as possible.
- 108) **"Incident Management System"** means an automated system used to track the status of Incident Records defined and maintained by Service Desk personnel. The Incident Management System is integrated into the overall CMS and SKMS.
- 109) **"Incident Record"** means a record containing the details of an Incident. Each Incident Record documents the Lifecycle of a single Incident and is stored in the Incident Management System.
- 110) **"INET"** means internet Services.
- 111) **"Inflation Sensitivity Index"** means how sensitive a specific resource and all of its components are to increases or decreases in inflation.
- 112) **"Information Security Management"** means the processes relating to managing a defined level of security on information and Services. This includes managing confidentiality, integrity, and availability of data.
- 113) **"Information Security Policy"** means the policy that governs Client's approach to Information Security Management.
- 114) **"Infrastructure"** means the entire portfolio of Equipment, System Software, and Network components required for the integrated provision and operation of Client's IT systems and Applications.
- 115) **"International Organization for Standardization"** (ISO) is the world's largest developer of voluntary international standards.
- 116) **"Intrusion Detection Solution"** means Software and/or Hardware designed to detect unwanted attempts at accessing, manipulating, and/or disabling computer systems, mainly through a network, such as the Internet. These attempts may take the form of attacks – for example: by crackers, malware and/or disgruntled employees.
- 117) **"Innovation"** means an object of value and the means of identifying and introducing improvements resulting in an elevated level of business execution. Similar to building blocks, Innovation occurs in primitive components, such as discoveries that occur in labs with science. The Innovations discovered at this level become the basic building blocks used to build and configure other basic components of technology. Innovations in business, process, organization, and technology may relate to an object, or even to how it is manufactured, assembled or delivered. In either case, it is the process of creating new capabilities based on new or newly configured components and or capabilities. Finally, these new or refined components/capabilities become part of the Supplier's value chain as it seeks to improve its services and products and ultimately how Innovations are applied to Client needs.
- 118) **"Innovation Center"** shall have the meaning ascribed in Schedule 9.1 (Governance).
- 119) **"Innovation Roadmap"** means the approach that is bound by an agreed-upon and defined planning horizon, balancing dependencies, priorities, risks and resources to produce a programmed view of initiatives within and across all opportunities required to realize a future state. The initiatives within the roadmap will be prioritized and addressed in a manner that best meets Client's

business. Not all identified initiatives will be acted on, and not all will result in Innovation.

- 120) **"Integrity"** means the completeness and correctness of data.
- 121) **"ISSO"** means Information Services Security Officer.
- 122) **"IT Service Continuity Management (ITSCM)"** means the process responsible for managing risks that could seriously affect IT services. ITSCM ensures that the IT service provider (internal or external) can always provide minimum agreed service levels, by reducing the risk to an acceptable level and planning for the recovery of IT services. ITSCM supports business continuity management.
- 123) **"ITIL"** means a set of best practice guidance for IT service management. ITIL is owned by the Office of Government Commerce (OGC) and consists of a series of publications giving guidance on the provision of quality IT services, and on the processes and facilities needed to support them.
- 124) **"ITSCP"** means an IT Service Continuity Plan.
- 125) **"IVR"** means interactive voice response.
- 126) **"Java"** means a programming language.
- 127) **"KEDB"** means the Known Error Database. This is a repository containing all Known Error Records that includes data on the Configuration Items, symptoms, and resolution or circumvention actions relating to all Known Errors. The Known Error Database is part of the Service Knowledge Management System (SKMS).
- 128) **"Key Measurements"** means those Service Levels that are not Critical Service Levels and for which no Service Level Credit is payable, but which are meaningful to Client's business, and are described in Exhibit 2 (Service Levels) to the SOW.
- 129) **"Known Error"** means a Problem for which the Root Cause is known and a temporary workaround or permanent alternative has been identified.
- 130) **"Known Error Database"** means a repository containing all Known Error Records that includes data on the Configuration Items, symptoms, and resolution or circumvention actions relating to all Known Errors. The Known Error Database is part of the Service Knowledge Management System (SKMS).
- 131) **"Know Error Records"** means a record containing the details of a Known Error. Each Known Error Record documents the Lifecycle of a Known Error, including the status, Root Cause and workaround.
- 132) **"Knowledge Management"** means the process responsible for gathering, analyzing, storing and sharing knowledge and information within an organization. The primary purpose of Knowledge Management is to improve efficiency by reducing the need to rediscover knowledge.
- 133) **"KPI"** (Key Performance Indicator) means a type of performance measurement. Client may use KPIs to evaluate its success, or to evaluate the success of a particular activity in which it is engaged. Sometimes success is defined in terms of making progress toward strategic goals, but often success is simply the repeated, periodic achievement of some level of operational goal (e.g. 10/10 customer satisfaction, etc.).

- 134) **"LAN"** means a local, high-speed Network, consisting of LAN Equipment, Software, Transport Systems, Interconnect Devices, Wiring, and Cabling are used to create, connect, and transmit data, voice, and video signals to, within or among Client's local-area network segments. LANs are typically confined within limited geographic areas (such as a single building or group of buildings) and offer relatively high data rates, usually above 10 /100 MBPS. LANs typically interconnect Authorized User PCs, local servers, and printers and may connect with WANs.
- 135) **"LDAP"** means Lightweight Directory Access Protocol and is an application protocol for accessing and maintaining distributed directory information services over an Internet Protocol (IP) network.
- 136) **"LOB"** means Hydro One lines of business.
- 137) **"Local Currency"** means Canadian Dollars.
- 138) **"Long-Range IT Plan"** means the long-range, comprehensive plan for the Company's information technology (IT) systems, processes, technical architecture, and standards as more fully described in Schedule 1-01 (Cross-Functional Services).
- 139) **"Lifecycle"** means the various stages in the life of a Service, Configuration Item, Incident, Problem, Change, and so forth. The Lifecycle defines the Categories for status and the status transitions that are permitted. For example:
- a) The Lifecycle of an Application may include: requirements, design, build, deploy, operate, and optimize.
  - b) The Lifecycle of an Incident may include: detect, respond, diagnose, repair, recover, and restore.
  - c) The Lifecycle of a Server may include: ordered, received, in test, in live, disposed, etc.
- 140) **"Live Environment"** means a controlled Environment containing live Configuration Items used to deliver IT services to the Business. A Live Environment is synonymous with a Production Environment.
- 141) **"Malware"** means any Software or code that is designed to infiltrate a computer, System, Network or other infrastructure without an Authorized User's informed consent, such as virus, trojans, worms, spam, phishing e-mail, backdoors, botspyware, adware, dialers, toolkits, keyloggers, highjackers, web bug, exploits, cracking tools, and hacking tools.
- 142) **"MDM"** means mobile device Management or Master Data Management.
- 143) **"Mean Time Between Failures"** means a metric for measuring and reporting Reliability. MTBF is the average time that a Configuration Item or IT Service can perform its agreed function without interruption. This is measured from when the CI or IT Service starts working, until it next fails.
- 144) **"Mean Time Between Service Incidents (MTBSI)"** means a metric used for measuring and reporting Reliability. MTBSI is the mean time from when a System or IT Service fails, until it next fails.
- 145) **"Measurement Methodology"** means the tools, processes, procedures and documentation thereof required to measure, validate, and report performance relative to Service Levels.

- 146) **"Microsoft Windows"** means a series of graphical interface operating systems developed, marketed, and sold by Microsoft Corporation.
- 147) **"Midrange Environment"** means are a facility which supports a class of computer systems which fall in between mainframe computers and microcomputers.
- 148) **"Minimum Service Level Target"** means the minimum level of performance for a Service Level, as initially set forth in Exhibit 2 to the SOW and as the same may be changed in accordance with Section 8 of Schedule 5.1.
- 149) **"Minor Enhancement"** means requests for Services outside of the effort contemplated in the Base Charges. Minor Enhancements are those Service Requests that are qualified by effort hours where those effort hours are greater than the threshold established for Service Requests included in the Base Charges and are below the threshold established for Project Services. Each SOW determines the minimum and maximum threshold for Minor Enhancement effort hours.
- 150) **"Minor Fixed Assets"** means tangible items of property, plant and equipment that have future benefits greater than one year, are generally of comparatively low individual value, are portable and which generally contribute indirect service potential to the corporation. Minor Fixed Assets (MFA) does not include computer software.
- 151) **"Mobile Data Communications System"** means the mobile data communications equipment and associated Software supported or used by Supplier in connection with its provision of Mobile Data Communications Services.
- 152) **"Mobile Phone"** also known as "cell phone", means an electronic device used for full duplex two-way radio telecommunications over a cellular network of base stations known as cell sites. Mobile Phones generally provide voice and short message service connectivity; but some Mobile Phone devices only provide for data connectivity (so-called "cell data cards" or "mobile hotspots") to the cellular network.
- 153) **"MoneyGram"** means an entity that allows customers to send and receive money via cash to cash service by using local agents.
- 154) **"Monitoring"** means repeated observation of a Service or process to detect Events and to ensure that the current status is known.
- 155) **"Monthly Base Charge"** means the amount that offsets service and maintenance costs for a specific Resource and exists regardless of usage and activity. This charge ensures that service is available.
- 156) **"Monthly Invoice Amount"** means the total of all Charges payable by Client for the Services for a particular month, excluding Taxes, Pass-Through Expenses.
- 157) **"Monthly Resource Baseline Volume"** means the quantity of Resource Units corresponding to such Resource Baseline, which is included in the Monthly Base Charge.
- 158)
- 159) **"Monthly Service Charge"** means the sum of the Monthly Base Charges.
- 160) **"Municipalities"** means a political unit, such as a city, town, or village, incorporated for local self-government.

- 161) **"MV90"** means a data management solution that makes energy usage data gathered available to an expanded group of users.
- 162) **"Network"** means collectively, Client's WAN, LAN, and voice Network.
- 163) **"Non-Chargeable"** means items not billable to the client.
- 164) **"Non-Energy Accounts Receivable"** means accounts receivable associated with non-energy related items.
- 165) **"OA"** means outline agreement, a category term contract for defined materials or services without the specifics or commitment to total volume and value requirements.
- 166) **"OLA"** means operational level agreement.
- 167) **"One-Time Charges"** means any Supplier-specified fees that are non-recurring and are typically associated with start-up and implementation costs.
- 168) **"OGCC"** means Hydro One's Ontario Control Centre which is their central facility for monitoring, managing, and troubleshooting the provincial hydro network (distribution grid).
- 169) **"OPA"** means Ontario Power Authority, and any successor authority.
- 170) **"OPA Portal"** Ontario Power Authority portal.
- 171) **"Operating Software"** means the Software control program in a CPU that provides the interface to the CPU and its associated Hardware, as well as the usage and allocation of memory resources, processor resources, input/output resources, and security resources.
- 172) **"Operations Management"** means the function within a service provider that performs the daily activities needed to manage services and the supporting Infrastructure.
- 173) **"Out-Of-Pocket Expenses"** means direct outlays of cash which may or may not be later reimbursed.
- 174) **"Overhead Functions"** means non-chargeable functions that are provided by Supplier as part of Supplier's overall project management and contract management.
- 175) **"PCMCIA"** means a card that is compatible with the a Personal Computer Memory Card International Association standard for externally accessible expansion slots that accept compatible cards for enhancing the computer's functions, as by adding memory or supplying a portable modem.
- 176) **"Performance Credit(s)"** means an amount of payment withheld from payment to the Supplier as a result of a Service Level Default or a Minimum Service Level Default.
- 177) **"PIM"** means personal information management.
- 178) **"Planned Projects"** means any projects that are not yet started as of the RFP issuance date, but are planned to begin prior to the Commencement Date.
- 179) **"Pool Percentage"** means three hundred fifty percent (350%) of the At Risk Amount.
- 180) **"Portable Network Devices"** means portable, hand-held Equipment used by Authorized Users for telecommunications data access and data services,

including mobile phones and any telecommunications functionality associated with Personal Data Assistants, (PDA). Portable Network Devices do **not** include personal computers, laptops (including "Tablet PCs"; for example HP Elitebook 2740p or Dell Latitude XT2). Portable Network Devices not only provide Mobile Phone features, but also more advanced computing and connectivity capabilities (for example, email or Web browsing) and sometimes referred to as "Smartphones". Some Portable Network Devices allow the installation of Apps; examples of these include Apple iPad, RIM Playbook, Apple iPhone, and Motorola Droid. See Attachment K to Exhibit 1 - Technical Architecture.

- 181) **"Post Implementation Review"** (Also known as: Post Project Review), means an assessment of business benefits delivered after the project products have been put into use.
- 182) **"Priority Level"** means a category used to identify the relative importance of an Incident, Problem and Change based on the Impact and Urgency of the Incident, Problem and Change. Priority Level identifies the required timeframes for addressing and correcting Incidents, Problems and Changes. For example, the SLA may state that Priority2 Incidents must be resolved within 12 hours.
- 183) **"Project Definition"** means the Client specific form that is used by the Supplier to prepare and provide a proposal response to the Project Request that includes the key parameters of the Project (e.g., solution, deliverables, skill resourcing, charges, assumptions, risks, dependencies, Responsible Accountable Consulted Informed Matrix (RACI), project schedule).
- 184) **"Project Request"** means a formal request by Client for project services at any time during the Term of the Agreement. A Project Request can be initiated as the result of a Service Request or request for a Minor Enhancement or by specifically issuing to Supplier a Project Request form or a request for Supplier proposal, which shall initiate the process for Project consideration.
- 185) **"Project Services"** means the Deliverables and tasks described in the Project Order.
- 186) **"Project to Sustainment Process"** means the Hydro One process defined for accepting project work into the environment.
- 187) **"Purchase Order"** means a legal document issued by a buyer to a Supplier, indicating types, quantities, and agreed prices for materials or services the Supplier will provide to the buyer.
- 188) **"Quality Assurance (QA)"** means the process responsible for ensuring that the quality of a product, service, or process will provide its intended value through maintenance and improvement.
- 189) **"RACI"** is an acronym that was derived from four key responsibilities most typically used: Responsible, Accountable, Consulted, and Informed. It means a responsibility assignment matrix or linear responsibility chart. A RACI describes the participation by various roles in completing tasks or deliverables for a project or business process.
- 190) **"RAID"** means RAID (redundant array of independent disks, originally redundant array of inexpensive disks) is a storage technology that combines multiple disk drive components into a logical unit. Data is distributed across the drives in one of several ways called "RAID levels", depending on the level of redundancy and performance required.



- 191) **"R&DM"** means Release & Development Management.
- 192) **"Refresh"** means the upgrading or replacing of Equipment and Software during the Term.
- 193) **"Release Unit"** means Components of an IT Service that are normally released together. A Release Unit typically includes sufficient Components to perform a useful function. For example, one Release Unit could be a Desktop PC, including hardware, Software, licenses, documentation, and so forth. A different Release Unit may be the complete Payroll Application, including IT operations procedures and user training.
- 194) **"Reliability"** means a measure of how long a Configuration Item or Service can perform its agreed function without interruption. Usually measured as MTBF (Mean Time Between Failures) or MTBSI (Mean Time Between Service Incidents). The term Reliability can also be used to state how likely it is that a process, function, and so forth, will deliver its required outputs.
- 195) **"Request Fulfillment"** means the process responsible for managing the Lifecycle of all Service Requests.
- 196) **"RRC"** Reduced Resource Credit means a credit from the Base Charge for reduced utilization of a Resource Unit below the Resource Baseline for the applicable.
- 197) **"RRRR Credits"** means rural or remote rate reduction credit.
- 198) **"Resolution Times"** means the defined time to resolve an Incident as described in Attachment J to Exhibit 1 Priority Levels to the applicable SOW.
- 199) **"Resolve, Resolved, Resolving, Resolution, etc."** means a completed and final resolution of an exception or a customer complaint or inquiry within the specified response period. Resolution includes investigating and responding / communicating to the customer or third party and appropriately closing the case by either updating the customer communication record with final status or verifying that the final fix was applied to customer's account.
- 200) **"Resource Baseline(s)"** means the estimated volume of Resource Units that will be required and utilized by Client during the Term.
- 201) **"Resource Unit(s)"** means a measurable device, unit of consumption, staffing level, or other resource that is associated with the Services for a particular Domain and is utilized as a volume measure and for pricing purposes.
- 202) **"Retained Expense(s)"** means the expense types or amounts retained by Client as set out in Exhibit 3 to the SOW.
- 203) **"Retired Services"** services no longer in commission.
- 204) **"Requirements Definition"** means the Client specific form that may be used to define the requirements for a Project Request.
- 205) **"RFx"** means a process that includes one of the following: Request for Proposal (RFP), Request for Quote (RFQ), Request for Tender (RFT), Request for Information (RFI) or Request for Pre-Qualification (RFPQ).
- 206) **"Root Cause"** means the underlying or original cause of an Incident or Problem.
- 207) **"Root-Cause Analysis (RCA)"** means an activity that identifies the Root Cause of an Incident or Problem.

- 208) **"Sales Order"** means sales order is the mechanism for producing the invoice to the customer. The sales order will detail the customer information, the accounting for the invoice, the description of work performed as well as the pricing and applicable taxes.
- 209) **"SAP"** means SAP America, Inc., and its affiliates as well as SAP Software provided by SAP America, Inc., and its affiliates.
- 210) **"SAP AG'S OSS"** means a SAP product.
- 211) **"SAP GRC/CUP"** means SAP GRC Compliant User Provisioning (CUP) for Password Self Service.
- 212) **"Scheduled Uptime"** means that period of time (days of the week and hours per day) during which a particular System, Application, Software, Hardware, Network, or any other part of the Services is expected to be available during the Measurement Period.
- 213) **"Second-Level"** refer to Level 2 support.
- 214) **"Security"** means ensuring that Services are used in an appropriate way by the appropriate people.
- 215) **"Servers"** means any computer that provides shared processing or resources (such as printer, fax, Application processing, database, mail, proxy, firewalls, and backup capabilities) to Authorized Users or other computers over the Network. A Server includes associated peripherals — such as local storage devices, attachments to centralized storage, monitor, keyboard, pointing device, tape drives, and external disk arrays — and is identified by a unique manufacturer's serial number.
- 216) **"Service Catalogue"** means the listing of all of the services which are available to Authorized Users, including Components, features, and charges.
- 217) **"Service Desk"** means those people and facilities that serve as the initial point of contact for Authorized Users for technical support for Incidents and Service Requests.
- 218) **"Service Level Credit Allocation Percentage"** means the amount of the Pool Percentage allocated to a Critical Service Level as set forth in Exhibit 2 (Service Levels) to the SOW, as the same may be changed in accordance with Section 8 of Schedule 5.1 (Service Level Methodology).
- 219) **"Service Level Effective Date"** means the date on which a Service Level is in effect, and is the Commencement Date unless indicated otherwise in Exhibit 2 to the SOW.
- 220) **"Service Level Performance"** means in respect of each Service Level, the Supplier's actual performance of the Services against such Service Level in the relevant period.
- 221) **"Service Level Posting"** means the posting by Supplier to the Service Level Performance Web site and certification as "final results" of Service Level Performance measurement data.
- 222) **"Service Level Target"** has the meaning set forth in Exhibit 2 to the SOW and may be changed in accordance with Section 8 of Schedule 5.1.
- 223) **"Service Model"** means a set of principles, standards, policies and constraints used to guide the design, development, deployment, operation and retirement of

services delivered by a Supplier with a view to offering a consistent service experience to a specific user community in a specific business context.

- 224) **"Service Pipeline"** means the variety of services that currently under development in the Service Portfolio.
- 225) **"Service Portfolio"** means the complete set of Services that are managed by a service provider. The Service Portfolio is used to manage the entire Lifecycle of all services, and includes three Categories: Service Pipeline (proposed or in development); Service Catalogue (Live or available for Deployment); and Retired Services.
- 226) **"Service Rehearsals"** means a process where the Supplier, in conjunction with the Client plans for successful and unsuccessful implementations of an Approved Release.
- 227) **"Service Request"** means a request from an Authorized User for information, or advice, or for a standard change or for access to a Service, such as to reset a password or to provide standard services for a new Authorized User. Service Requests are usually handled by a Service Desk, are provided as part of the base charges. The result of analysis of a Service Request may cause the creation of a request for a Minor Enhancement or a Project Request.
- 228) **"Single Point of Contact (SPOC)"** means providing a single consistent way to communicate with an organization or Line of Business. For example, a Single Point of Contact for a Supplier is usually called a Service Desk.
- 229) **"Site(s)"** means Client and Supplier locations where the Services will be performed or delivered as specified in Attachment D to Exhibit 1 (Service Locations and Sites) of the SOW and as may change during the Term.
- 230) **"Six-Month Measurement Period"** means the six (6) consecutive Months of measurements immediately preceding the month in which Client provided written notice to Supplier to establish a Service Level in accordance with Section 8 of Schedule 5.1.
- 231) **"Skill-Level"** means the types of skills an individual has.
- 232) **"Skill Set Rate Card"** means approach for capturing the types, costs, and credentials required of individuals performing Billable hours for the Client.
- 233) **"SKMS"** means Service Knowledge Management System.
- 234) **"SNMP"** means Simple Network Management Protocol.
- 235) **"Software"** means all software programs and programming (and all modifications, replacements, Upgrades, enhancements, documentation, materials and media related thereto), to the extent a Party has financial or operational responsibility for such programs or programming in connection with the Services. Software shall include all such programs or programming in use or required to be used as of the Commencement Date, those as to which the license, maintenance or support costs are included in the Financial Responsibility Matrix, and those as to which Supplier received reasonable notice and/or access prior to the Commencement Date. Software also shall include all such programs or programming developed and/or introduced by or for Client on or after the Commencement Date to the extent a Party has financial or operational responsibility for such programs or programming.
- 236) **"Supplier"** has the meaning set forth in the Agreement.

- 237) **"Supplier Transition Manager"** means a Supplier senior project manager who will have overall responsibility for the management, performance, and delivery of Transition and who will be a dedicated escalation point of contact for Client in respect to Transition.
- 238) **"System(s) Software"** means those programs and Software, including documentation and materials, that perform tasks basic to the functioning of the computer hardware, or that are required to operate the Applications Software, or otherwise support the provision of Services by Supplier. Systems Software includes Operating Software, systems utilities, and any other Software not designated as Applications Software.
- 239) **"System(s)"** means an interconnected grouping of manual or electronic processes, including Equipment, Systems Software, Applications Software and associated attachments, features, accessories, peripherals and cabling, and all additions, modifications, substitutions, Upgrades or enhancements to such System, to the extent a Party has financial or operational responsibility for such System or System components under Exhibit 1 to the SOW. System shall include all Systems in use or required to be used as of the Commencement Date, all additions, modifications, substitutions, Upgrades or enhancements to such Systems and all Systems installed or developed by or for Client or Supplier following the Commencement Date.
- 240) **"T5"** means return on investment tax form.
- 241) **"Technical Management"** means the function responsible for providing technical skills in support of services and management of the IT Infrastructure. Technical Management defines the roles of support groups, as well as the tools, processes and procedures required.
- 242) **"Technology Innovation"** means better products and services through the unique application of new and/or improved technology.
- 243) **"Test Environment"** means a controlled Environment used to test Configuration Items, items from the Build Environment, IT services, processes, and so forth.
- 244) **"Third Parties"** means a legal entity, company, or person(s) that is not a Party to the Agreement, and is not an affiliate of either the Client or the Supplier.
- 245) **"Third-Party Contract(s)"** means those agreements where a Third Party is providing products or services to Client prior to the Effective Date that relate to or support the Services, including any licenses, leases, and service contracts.
- 246) **"Third-Party Vendor(s)"** means a Third Party that provides products or services to any Party that is related to, or are in support of, the Services. Third-Party Vendors do not include subcontractors of the Supplier.
- 247) **"Threshold"** means the value of a metric that should cause an alert to be generated, or management action to be taken. For example: "Priority1 Incident not solved within 4 hours", "more than 5 soft disk errors in an hour", or "more than 10 failed Changes in a month."
- 248) **"Throughput"** means a measure of the number of transactions or other operations performed in a fixed time. For example, 5000 e-mails sent per hour, or 200 disk input/output (I/Os) per second.

- 249) **"Time and Materials"** means a form of contractual compensation involving payment for materials used and at agreed rates for the those involved in performing the services.
- 250) **"TLA Percent"** means transformer loss adjustment percentage.
- 251) **"Transition Planning and Support"** means the process responsible for planning all Service Transition processes and coordinating the resources that they require. These Service Transition processes are Change Management, Service Asset and Configuration Management, Release and Deployment Management, Service Validation and Testing, Evaluation, and Knowledge Management.
- 252) **"Unit Testing"** means a method by which individual units of source code, sets of one or more computer program modules together with associated control data, usage procedures, and operating procedures, are tested to determine if they are fit for use.
- 253) **"Unrelieved Service Level Credits"** means those Service Level Credits that are not eliminated via Earnback.
- 254) **"URL"** means uniform resource locator.
- 255) **"UPS"** means Uninterruptible Power Supply.
- 256) **"Urgency"** means a measure of how long it will be until an Incident, Problem or Change has a significant Impact on the Business. Impact and Urgency are used to assign Priority.
- 257) **"USofA"** means Uniform System of Accounts.
- 258) **"Vendor"** means any person who, based on an assessment of that person's technical and commercial capacity, has been selected to fulfill the requirements of procurement. The definition of a person includes a corporation.
- 259) **"VIP User"** means a Client designated and approved individual who will receive faster End User support service. They may be executives or key operational resources.
- 260) **"VMware"** means desktop software runs on Microsoft Windows, Linux, and Mac OS X, while VMware's enterprise software hypervisors for servers, VMware ESX and VMware ESXi, are bare-metal embedded hypervisors that run directly on server hardware without requiring an additional underlying operating system.
- 261) **"VPN"** means virtual private network.
- 262) **"WAN Equipment"** means the Equipment and associated attachments, features, accessories, peripherals, and Cabling supported or used by Supplier in connection with its provision to Authorized Users of WAN Services (for example: routers, multiplexers, access circuits, backbone circuits, channel banks, CSU/DSUs, and associated diagnostic equipment), and all additions, modifications, substitutions, upgrades, or enhancements to such Equipment.
- 263) **"Workstation"** means either a Laptop or Desktop as defined in Schedule 16.1 (Pricing and Financial Provisions).



Attachment 17

**HYDRO ONE**

**REQUEST FOR PROPOSAL**

**SCY-7000003720**

**COMMON EXHIBIT 3**

**CLIENT POLICIES AND GUIDELINES**

**NOVEMBER 7, 2013**

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## Attachment 17

### **Supplier Guidelines**

This Exhibit of the RFP contains specific information supplied by Client for the Supplier's use when responding to the RFP.

### **Supplier Instructions**

**REFER TO PART 4B AND PART 5 OF THE RFP INSTRUCTIONS.**



Attachment 17

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<b>2.0</b>	<b>CLIENT POLICIES AND GUIDELINES .....</b>	<b>4</b>





## Attachment 17

### **1.0 GENERAL**

A current listing of and copies of Client's policies and guidelines may be accessed through the data room. Client reserves the right to make changes to Client's policies and guidelines from time to time.

### **2.0 CLIENT POLICIES AND GUIDELINES**

1. Intentionally Blank.



Attachment 18a

**HYDRO ONE**  
**REQUEST FOR PROPOSAL**  
**SCY-7000003720**  
**COMMON EXHIBIT 4**

**INVOICING REQUIREMENTS**

**NOVEMBER 7, 2013**

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## Attachment 18a

### **Supplier Guidelines**

This Exhibit of the RFP contains specific information supplied by Client for the Supplier's use when responding to the RFP.

### **Supplier Instructions**

The Supplier shall not modify the content in this document.



Attachment 18a

**TABLE OF CONTENTS**

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## Attachment 18a

### 1.0 INTRODUCTION

This Common Exhibit 4 sets forth the minimum requirements that apply to invoices submitted by the Supplier for payment by Client. Invoices may be in electronic or hardcopy format as requested and agreed to by Client. Any invoice format that is proposed by the Supplier must meet the requirements of this attachment to be approved by Client.

### 2.0 INVOICING REQUIREMENTS

1. Supplier shall, by the fifteenth 15th day of each calendar month, for the Term and any Termination Assistance period, present Client with an invoice for the Monthly Base Charges (Monthly Service Charge) for each domain and a separate invoice for each project order PO within each domain (assuming a project is underway in that month and is billable) complying with the requirements set forth below.
2. A Base Charges/ARC/RRCs invoice shall have line item detail for, but not limited to, the following:
  - 2.1. The Monthly Base Charges for the previous calendar month in accordance with the Monthly Base Charges in Attachment A to Exhibit 3 (Supplier Pricing Forms) (For example: November would be invoiced on December 15th)
  - 2.2. The Change Orders for the previous calendar month
  - 2.3. Variable Charges (ARCs and RRCs) for the previous calendar month in accordance with the ARC/RRC Charges in Attachment A to Exhibit 3 (Supplier Pricing Forms)
  - 2.4. One-Time Charges that have been approved for billing in the previous calendar month
  - 2.5. Pass-Through Charges for the previous calendar month
  - 2.6. Service Level Credits and Critical Deliverable Credits, if any, incurred in the previous calendar month
  - 2.7. ECA percentage and amount
  - 2.8. Service Level Earnback amounts, if any, earned back and due
  - 2.9. Applicable taxes by type
  - 2.10. Any other Charges to be invoiced as agreed upon by both parties
3. A Billable Project Charge invoice shall have line item detail for, but not limited to, the following:
  - 3.1. Billable Project Charges for the previous calendar month
  - 3.2. Service Level Credits and Deliverable Credits, if any, incurred in the previous calendar month
  - 3.3. Taxes by type
  - 3.4. Any other Charges to be invoiced as agreed upon by both parties
4. Each invoice shall contain information to satisfy Client's internal accounting requirements, including the details in Attachment A to this Common Exhibit 4 (Form of Invoice) and, at a minimum, the following information:



## Attachment 18a

- 4.1. Purchase Order Number
  - 4.2. Service Description by line item
  - 4.3. Applicable Taxes
  - 4.4. Payment Terms
  - 4.5. Due Date
  - 4.6. Billing period
  - 4.7. Vendor Number
  - 4.8. Project identifier for project invoices
  5. Supplier shall invoice Client in CAD.
  6. Client requires that detailed charge information be available online in a database that lends itself to searching and ad hoc reporting. Supplier's responsibilities include providing to Client on a monthly basis, accurate and complete data submissions for the previous month's invoice 30 days after the previous month's invoice was sent associated with the invoice detail reporting and database tool.
    - 6.1. Client reserves the right to request additional detail pursuant to the Change Control Procedures.
  7. Client expects invoices from Supplier to be accurate. Supplier will implement a pre-invoice review and validation process on a monthly basis with client. Supplier will verify that Charges billed will be accurate and reconciled to Services delivered to Client. Supplier will explain and justify, as requested by Client, Charges.
  8. Supplier shall respond to Client's request for additional information in connection with an invoice promptly, but in no event any later than two (2) business days after delivery of Client's request. However, if Supplier reasonably requires additional time to respond to Client's request for information then Supplier may request Client to agree to an extension of the above deadline.
  9. Client may request that Supplier submit at times other than those specified herein an invoice for portions of the Charges that have not yet been invoiced but represent amounts payable for actual performance of Supplier's obligations hereunder.
    - 9.1. When Client makes such a request, Supplier shall deliver to Client a complete invoice reflecting such portions of the Charges, if any, believed by Supplier to be payable.
    - 9.2. Supplier shall deliver such invoice by the deadline identified in Client's request therefore and, if no deadline is specified in Client's request, then no later than thirty (30) days following the date of Client's request.
- 2.1 Timing of Payments**
1. As per Section 16.2.a of the MSA
- 2.2 Timely Invoicing**
1. As per Section 16.2.a of the MSA



## Attachment 18a

### 2.3 Form of Invoice

1. Supplier will deliver a complete invoice to Client in the form and details specified in Attachment I to this Common Exhibit 4 (Form of Invoice Template).
2. Within the first thirty (30) days from the SOW Commencement Date of the initial Statement of Work to this Agreement, Client and Supplier shall, in good faith, finalize the form of invoice set forth herein. The Parties agree and acknowledge that the goal of this finalization effort will be to automate as much as possible in order to obtain the level of detail contained in such invoice as desired by Client.
3. The bill to addresses for Supplier monthly invoices are:
  - Hydro One Networks Inc.
  - Accounts Payable
  - billing addresses to be determined and provided at a later date
4. Invoices will contain summary page(s) that calculate each Domain's total invoice price for each billing structure item, broken out into the major categories of services, hardware, and software. Where multiple billing structure items are included on the same invoice, the following provides a recommended structure for invoicing (at a minimum, as qualified by the subsequent sections to this document):
  - 4.1. Base Charges
  - 4.2. ARC/RRC Charges
  - 4.3. Hardware Charges
  - 4.4. Software Charges
  - 4.5. Billable Projects (separate project summary specific to Project invoiced)
  - 4.6. Other Optional Services
  - 4.7. Change Order Controls
  - 4.8. Pass-through Charges
  - 4.9. One-Time Charges
  - 4.10. Cumulative total of all Service Level Credits and Earnbacks
  - 4.11. Applicable Economic Change Adjustments (ECA)
5. Invoices will include or be accompanied by line item detail necessary to validate the Charges as illustrated in Attachment I to this Common Exhibit 4 (Form of Invoice Template) for each of the billing structure items.
6. Contract Change Orders will be invoiced in the month following their final approval.
  - 6.1. Contract Change Orders will not be netted against the Base Charges except where the Purchase Order line item detail reflects Base Charges that include the netting of those Contract Change Controls.
7. Detailed reporting, separate from invoice submission, may be required to identify the following items:
  - 7.1. For Base and Variable Charges:



Attachment 18a

- 7.1.1. Unit of Measure
- 7.1.2. Resource Baselines
- 7.1.3. Base Charges
- 7.1.4. Actual consumption of resources
- 7.1.5. ARC/RRC unit rates
- 7.1.6. Additional and/or reduced usage over and/or under baselines, and applicable ARC or RRC charges
- 7.1.7. Total Base and Variable Charges for this invoice
- 7.1.8. Invoice Number
- 7.2. For Hardware and Software Charges:
  - 7.2.1. Description of services provided
  - 7.2.2. Asset identification (e.g., Serial No., Manufacture, Make, Model, Asset No., etc.)
  - 7.2.3. In service date
  - 7.2.4. Service life
  - 7.2.5. Hardware and Software charges for this invoice
  - 7.2.6. Invoice Number
- 7.3. For One-Time Charges:
  - 7.3.1. Transition/Transformation Milestone
  - 7.3.2. Period of performance
  - 7.3.3. Nature of charge
  - 7.3.4. One-Time charges for this invoice
  - 7.3.5. Invoice Number
- 7.4. For Service Level Credit summary:
  - 7.4.1. Performance Category
  - 7.4.2. Critical Deliverable / Service Level name
  - 7.4.3. Measurement Period
  - 7.4.4. Expected Service Level
  - 7.4.5. Minimum Service Level
  - 7.4.6. Actual performance for the period
  - 7.4.7. Default (Y/N)
  - 7.4.8. Credit amount due to Client
  - 7.4.9. Invoice Number
- 7.5. For Pass-through Charges:
  - 7.5.1. Name of Third Party





Attachment 18a

- 7.5.2. Description of services provided
- 7.5.3. Period services received
- 7.5.4. Third-Party invoice number
- 7.5.5. Third-Party invoice date
- 7.5.6. Third-Party invoice amount
- 7.5.7. Invoice Number



**Hydro One  
REQUEST FOR PROPOSAL  
SCY-7000003720  
ATTACHMENT A  
FORM OF INVOICE**

**TO EXHIBIT 4  
INVOICING REQUIREMENTS**

**November 7, 2013**

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