UNDERPINNING CONTRACT

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- Version: 
- Date of version: 
- Created by: 
- Approved by: 
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Comment [BV1]: All fields in this document marked by square brackets () must be filled in.

Comment [BV2]: ***OPTION If implementing ISO 20000, rename this to “Supplier Contract.”

Comment [BV3]: The document coding system should be in line with the organization’s existing system for document coding; in case such a system is not in place, this line may be deleted.

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Change history

<table>
<thead>
<tr>
<th>Date</th>
<th>Version</th>
<th>Created by</th>
<th>Description of change</th>
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<tbody>
<tr>
<td>xx/xx/2013</td>
<td>0.1</td>
<td>Branimir Valentic</td>
<td>Basic document template</td>
</tr>
</tbody>
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1. General

This agreement is made between [supplier name] and [organisation name].

The subject of this agreement is [support and maintenance for the service name].

This agreement is valid as of [date].

2. Agreement

2.1 Scope

This agreement documents a description of the [provided service, mutual obligations and reporting].
The following services are within the scope of this agreement:

- [list of services and related actions which are provided in scope of this agreement]

Service will be delivered at the following locations:

- [list of locations]

2.2 Relationship

This agreement defines the following responsibility and [authority matrix between [supplier name] and [organisation name]]:

<table>
<thead>
<tr>
<th>[supplier name]</th>
<th>[organisation name]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorities</td>
<td>Responsibilities</td>
</tr>
<tr>
<td>[supplier name]</td>
<td>[organisation name]</td>
</tr>
<tr>
<td>[name of the contact]</td>
<td>[name of the contact]</td>
</tr>
</tbody>
</table>

2.3 Agreement exceptions

Services which are out of the scope of this agreement are:

- [list of services which are out of scope of this agreement]

Services which are out of the scope of this agreement can be / cannot be agreed upon separately.

2.4 Communication plan

Communication interfaces between parties are:

<table>
<thead>
<tr>
<th>[supplier name]</th>
<th>[organisation name]</th>
</tr>
</thead>
<tbody>
<tr>
<td>[name of the contact]</td>
<td>[name of the contact]</td>
</tr>
</tbody>
</table>

Responsibilities of contacts are:

- [Exchange information relevant to the services]
- [Resolve all issues related to the contract]
- [...]  

Communication channels between parties are achieved through:

- [phone]
2.5 Requirements from [supplier name] staff

The following are required from [organization name] staff:

- [Professional certification]
- [Certificate]
- [...]

3. Service and Supplier Requirements

3.1 Description

[describe requirements which must be fulfilled by supplier. Include:

- deliverables,
- business functionality,
- provide following evidence as proof that they are managing their sub-contractors:
- [list evidences...etc.]

3.2 Service hours

The following service hours are defined:

<table>
<thead>
<tr>
<th>Working days</th>
<th>Non-working days</th>
</tr>
</thead>
<tbody>
<tr>
<td>[08:00 – 16:00]</td>
<td>[...]</td>
</tr>
</tbody>
</table>

3.3 Service targets

<table>
<thead>
<tr>
<th>Service Targets</th>
<th>Requirement</th>
</tr>
</thead>
</table>
| Service Capacity      | [number of transactions per minute]
|                       | [transaction time]                                       |
| Reliability           | [number of outages]
|                       | [time between outages]                                   |
| Service Availability  | [99.5%]
|                       | [maximum outage time]
|                       | [maintenance window]
|                       | [scheduled maintenance]                                 |
| Service Continuity    | [number of service continuity options]
|                       | [service continuity period]
| Exceptions            | [list all exceptions and how they are handled]          |

3.4 Security framework

The following security requirements must be fulfilled:
4. Processes

4.1 Dependences

Parts of the [service name] are operated between processes and services:

<table>
<thead>
<tr>
<th>Service name</th>
<th>Process</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>[name of the service]</td>
<td>[name of the process]</td>
<td>[organization name]</td>
</tr>
</tbody>
</table>

4.2 Interfaces

For the following processes, [supplier name] is part of [organization name]’s customer-facing processes:

1. [Incident Management]
2. [Service Management]
3. [Helpdesk Management]

4.3 Escalation management

The following escalation procedure is valid:

- [Describe escalation procedure between your organization and supplier, as well as between suppliers, organizations, and any other parties involved and make sure it is in line with service requirements toward [organization name] customers.]

4.4 Sub-contractors

[supplier name] is allowed to engage sub-contractors in order to provide services in scope of this agreement. Any sub-contractors are required to ensure that they are in line with service requirements toward [organization name] customers.

[supplier name] ensures that:

- [Describe what happens to terms and conditions for [supplier name] and any other parties involved when transferring contracts which have to be in line with service requirements toward [organization name] customers.]

4.5 Dispute management

There are several stages in dispute management:

1. [Describe the process of dispute management, including notification, review, and resolution.]
2. [Describe escalation procedure is valid:]

Comment [BV18]: Enter security requirements set toward supplier, e.g., security violation. Detail responsibilities from both sides.

Comment [BV19]: Delete processes which are not relevant for the service which is in the scope of this agreement.

Comment [BV20]: Service has many responsibilities. Use this table to clearly define responsibilities.

Comment [BV21]: Use this section for the customer-facing processes in which another situation is that supplier performs one part of the activities while another supplier performs second part of activities. e.g. Supplier 1 performs Incident Management activities while Supplier 2 performs Problem Management activities (i.e. Supplier 1 triggers Supplier 2 while transferring incident into Problem).

Comment [BV22]: Describe process and activities which are performed by the supplier. Include any characteristics that you have defined with your customers. Also, define interface, i.e. how, who and what supplier communicates with other suppliers if there are more than one supplier in chain.
5. **Charging**

[supplier name] charges for the supplied services on a monthly basis. Basis for the charging are [reports which prove fulfillment of supplier’s obligation]. Invoices will be issued on the first day of the month for the previous month. Invoices will be sent to the following address: [organization name address]. Invoices should be paid within [days of receipt]. In case of late payment, [describe option]. Monthly charges for the [service name] are to be paid to [supplier’s bank account].

5.1 **Penalties and incentives**

In case [describe case when penalties should be charged], [supplier name] will charge penalties, which are calculated as follows:

- [describe calculation]

[Supplier name] has the right to calculate bonus if [describe situation].

6. **Measurement and reporting**

Reports are created [monthly]. Supplier should create the following reports:

- Achievement of the service level requirements
- [Number of open, solved (inside target time, where target time was broken), escalated, late helpdesk]
  - Open
  - Solved
  - Escalated
  - Changes
  - Service requests

Reports are delivered [electronically] to [role description].

7. **Duration**

Duration of this agreement is [enter period]. After such period, agreement will be automatically extended for one year.
8. Termination and Early termination

Each party can terminate the agreement without giving reasons by sending written notice. In such case, [agreement ends 30 days after termination notice].

In case of termination, the following responsibilities and related activities are valid:

- [supplier name] responsibilities are [list]
- [organization name] responsibilities are [list]

In case of transfer of services to a different party, the following roles and activities apply:

- [role description] – [responsibility description]

9. Review cycle

This agreement and services which are included must be reviewed and updated [every six months]. Nonconformities must be [described and received] Those responsible for review, update and nonconformities resolution are:

- [customer – name]
- [organization name – name]

10. Sign off

This contract exists in two copies, one for each party.

[customer] [organization name]

[date of signature] [name in capital letters] [date of signature] [name in capital letters]